
CAPITAL OUTLAY FUND

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CAPITAL OUTLAY FUND

SDCL 13-16-6 states, in part, “the capital outlay fund of the school district is a fund provided by law to meet expenditures which result in the acquisition or lease of or additions to real property, plant or equipment. Such expenditure shall be for land, existing facilities, additions to facilities, remodeling of facilities, or for the purchase or lease of equipment. It may also be used for installment or lease-purchase payments for the purchase of real property, plant or equipment which have a contracted terminal date not exceeding twenty years from the date of the installment contract or lease-purchase and for the payment of the principal of and interest on capital outlay certificates issued pursuant to SDCL 13-6-6.2.”

The Sioux Falls School District’s FY17 Capital Outlay Fund includes expenditures for renovations and maintenance, site improvements, equipment, technology, and debt service.

The Director of Operational Services and building principals conduct building walk-throughs annually to assess individual building needs for renovations, maintenance, and site improvements. The improvements are evaluated and prioritized using the following criteria:

- **Safety and Security**
- **Structural Integrity**
- **Mechanical and Electrical Systems**
- **Site Maintenance**
- **Legal Requirements** – includes Americans with Disabilities Act items
- **Instructional Program Renovations and New Construction**
- **Building Interior** – may consist of replacing/repairing floorcoverings, paint, plaster, doors, window treatments, ceilings, chalkboards, tackboards, lockers, light fixtures, restrooms and auditorium seating

The Sioux Falls School District is committed to providing a safe and secure environment for all students and staff members. To assist with the District’s commitment to safety, the Safe and Secure Schools Council was formed in November 2007. The Council membership was comprised of School Board members, administration, staff, parents, fire fighters, law enforcement, a representative of the Sioux Falls Risk Management Department, a representative of Social Services and of court services. During the 2008/09 school year, the Council members toured each of the District’s buildings and made recommendations for improvements to ensure the safety of the District’s students and staff at them. The Council continues to meet quarterly and updates its recommendations, which are part of the FY18 Capital Outlay Fund Budget.

There is an increase in the amount of property tax revenues for the FY18 budget year of \$989,950. Levies are projected to be \$2.84 for Calendar Year 2018. Revenue for Other Local Sources has is projected at the same level as FY17. Federal sources are derived from a share of the interest payment on Build America Bonds issued in the summer of 2009. The District does not expect to use any of the Capital Outlay Fund balance for FY18.

REVENUES			
Source	Budget FY17	Budget FY18	Increase/ (Decrease) from Prior Year
Property Taxes	\$29,870,634	\$30,860,584	\$ 989,950
Other Local Sources	153,659	153,659	-
Federal Sources	328,308	328,308	-
Total	\$30,352,601	\$31,342,551	\$ 989,950

CAPITAL OUTLAY FUND

Revenues

Property Taxes

Source	Budget FY17	Budget FY18	Increase/ (Decrease) from Prior Year
Property Taxes	\$29,870,634	\$30,860,584	\$ 989,950
Total	\$29,870,634	\$30,860,584	\$ 989,950

- The mil levy for property taxes in 2018 will be \$2.84 per \$1,000 of valuation.
- Local Tax revenue is budgeted to increase by \$989,950.

Other Local Sources

Source	Budget FY17	Budget FY18	Increase/ (Decrease) from Prior Year
Interest Income	\$35,000	\$35,000	\$ -
Mobile Home Tax	11,000	11,000	-
Penalties and Interest	-	-	-
Tuition	43,659	43,659	-
Miscellaneous Other Revenue	64,000	64,000	-
Rental Income	-	-	-
Total	\$153,659	\$153,659	\$ -

- Interest Income is based upon expected earnings on funds kept on hand for FY18.

Federal Sources

Source	Budget FY17	Budget FY18	Increase/ (Decrease) from Prior Year
Federal Sources	\$328,308	\$374,638	\$ 46,330
Total	\$328,308	\$374,638	\$ 46,330

- Federal revenues are projected to increase slightly over FY18.

The expenditures of the Capital Outlay Fund are, as follows:

EXPENDITURES

Use	Budget FY17	Budget FY18	Increase/ (Decrease) from Prior Year
Renovations and Maintenance	\$ 3,719,183	\$ 5,935,722	\$ 2,216,539
Site Improvements	2,749,795	960,248	(1,789,547)
Professional Services	205,400	177,300	(28,100)
Purchased Services (Transportation)	2,560,000	2,621,290	61,290
Curriculum Adoption	360,275	15,700	(344,575)
Equipment	667,265	815,509	148,244
Technology	2,915,644	2,788,116	(127,528)
Building Allocations	531,124	555,476	24,352
Vehicles	186,000	122,000	(64,000)
Principal	6,535,000	8,480,000	1,945,000
Interest	5,727,976	5,364,481	(363,495)
Dues and Fees	633,068	613,108	(19,960)
Total	\$26,790,730	\$28,448,950	\$ 1,658,220

CAPITAL OUTLAY FUND

Elementary School Allocation

The Capital Outlay Fund budget increases and decreases reflect year-to-year differences in building repair, remodeling and new construction needs. Annual building walk-throughs identify significant annual repair and remodeling needs. Projected student enrollment growth provides a basis for determining future needs for additional facilities.

Elementary Education Allocation

Budget Data	Budget FY17	Budget FY18	Increase/ (Decrease) from Prior Year
Renovations & Maintenance	\$ 800,839	\$ 1,217,364	\$ 416,525
Site Improvements	1,948,695	251,098	(1,697,597)
Professional Services	93,000	36,500	(56,500)
Equipment	342,893	135,499	(207,394)
Building Allocation*	214,831	227,763	12,932
Technology	955,542	148,918	(806,624)
Total	\$ 4,355,800	\$ 2,017,142	\$ (2,338,658)

*To be allocated to appropriate budget lines in final line item budget

Significant elementary school projects planned for FY18 include the following:

Renovations and Maintenance

- Re-roof sections of Laura B. Anderson Elementary \$105,000
- Recaulk and waterproof existing masonry block at Terry Redlin Elementary \$28,500
- Replace glazed block window sills with precast concrete at Rosa Parks Elementary School \$22,680
- Install drop off area along Mable Avenue at Eugene Field Elementary School \$30,000
- Repair exterior beams at gym at Robert Frost Elementary School \$15,000
- Re-roof original building at Anne Sullivan Elementary School \$322,092
- Add metal wall panels at penthouse of Anne Sullivan Elementary School \$34,020
- Expand and renovate room into office and conference areas at Horace Mann Elementary School \$75,000
- Add metal wall panels at penthouse at John Harris Elementary School \$34,020
- Update clock system at John Harris Elementary School \$20,000
- Remove asbestos tile at Lowell Elementary School \$33,633
- Add high efficiency boiler to boiler replacement project at Laura Wilder Elementary School \$30,000
- Replace floor tile in multipurpose gym at Hayward Elementary School \$16,000
- Replace clay tile roof at Hawthorne Elementary School \$60,000
- Replace skylight, EFIS, and clay tile roof above library at Hawthorne Elementary School \$115,000
- Replace existing phone system at J.F. Kennedy Elementary School \$20,000
- Renovate computer lab into a 2nd grade classroom at J.F. Kennedy Elementary School \$38,683

Site Improvements

- Develop playground plan and reconstruct, with drop off lane at Garfield Elementary School \$210,000

Furniture, Library Books, Equipment and Technology

- Replacement and new musical instruments and equipment for fine arts \$81,999
- Building allocations \$227,764
- Replacement of iPads, laptops, Chromebooks and desktop computers for elementary schools \$134,418
- Purchase iPads, Windows Laptops and carts for “Coding for the Future” classrooms \$207,400

CAPITAL OUTLAY FUND

Middle School Allocation

The Capital Outlay Fund budget increases and decreases reflect year-to-year differences in building repair, remodeling and new construction needs. Annual building walk-throughs identify significant annual repair and remodeling needs. Projected student enrollment growth provides a basis for determining future needs for additional facilities.

Middle School Allocation

Budget Data	Budget FY17	Budget FY18	Increase/ (Decrease) from Prior Year
Renovations & Maintenance	\$ 440,698	\$ 1,138,866	\$ 698,168
Site Improvements	71,400	23,400	(48,000)
Professional Services	62,400	54,000	(8,400)
Equipment	131,501	194,719	63,218
Building Allocation*	132,612	136,722	4,110
Technology	128,768	1,196,522	1,067,754
Total	\$ 967,379	\$ 2,744,229	\$ 1,776,850

*To be allocated to appropriate budget lines in final line item budget

Significant middle school projects planned for FY18 include the following:

Renovations and Maintenance

- Replace gliding windows throughout Edison Middle School \$380,000
- Remove stairs to add two tutor rooms at Edison Middle School \$200,000
- Remove asbestos tile at Patrick Henry Middle School \$28,760
- Replace roof on auditorium and gym wing of Patrick Henry Middle School \$100,000
- Replace boilers and update hot water system at Patrick Henry Middle School \$160,000
- Upgrade circulating pumps at Patrick Henry Middle School \$16,000
- Update electrical switch gear at Patrick Henry Middle School \$75,000
- Replace phone system at Patrick Henry Middle School \$30,000
- Replace phone system at Whittier Middle School \$30,000
- Install metal cap flashing on original building at Whittier Middle School \$34,640

Furniture, Library Books, Equipment and Technology

- Replacement and new musical instruments for Fine Arts \$112,777
- Building allocations \$136,722
- Replacement of desktop computers, laptops, and Chromebooks for middle schools \$1,196,522

CAPITAL OUTLAY FUND

High School Allocation

The Capital Outlay Fund budget increases and decreases reflect year-to-year differences in building repair, remodeling and new construction needs. Annual building walk-throughs identify significant annual repair and remodeling needs. Projected student enrollment growth provides a basis for determining future needs for additional facilities.

High School Allocation

Budget Data	Budget FY17	Budget FY17	Increase/ (Decrease) from Prior Year
Renovations & Maintenance	\$ 1,296,917	\$ 1,650,436	\$ 353,519
Site Improvements	377,500	97,000	(280,500)
Professional Services	25,000	41,800	16,800
Equipment	370,935	390,689	19,754
Building Allocation*	148,084	154,291	(12,585)
Technology	1,427,776	642,177	(785,599)
Total	\$ 3,646,212	\$ 2,976,393	\$ (688,611)

*To be allocated to appropriate budget lines in final line item budget

Significant high school projects planned for FY18 include the following:

Renovations and Maintenance

- Replace Roof – Phase 2 at Washington High School \$620,500
- Replace Roof – Phase 2 at Lincoln High School \$501,686
- Replace gym divider curtains at Washington High School \$28,000
- Replace two archery curtains at Washington High School \$16,000
- Renovate restrooms at Lincoln High School \$55,000
- Replace single pane exterior windows at Lincoln High School \$164,800
- Replace wood floor on stage in auditorium at Lincoln High School \$34,000
- Refinish wood floor in multipurpose gym at Lincoln High School \$34,100
- Upgrade air conditioning unit in office at Roosevelt High School \$80,000
- Upgrade fire panel and add classroom device to current code at Roosevelt High School \$75,0000

Site Improvements

- Irrigation soccer fields (cost shared with City) at Washington High School \$65,000
- Add sidewalk from e-wing to Park Drive at Roosevelt High School \$16,800

Furniture, Library Books, Equipment and Technology

- Replacement and new musical instruments for Fine Arts \$189,915
- Athletic, show choir uniforms, choir robes, and marching band uniforms \$255,125
- Building allocations \$154,291
- Replacement of desktop computers, laptops, Chromebooks, and Chromebook bags and purchase of a poster printer for New Tech High \$642,177

CAPITAL OUTLAY FUND

Operational Services/Central Services/ Axtell Park Allocation

The Capital Outlay Fund budget increases and decreases reflect year-to year differences in building repair, remodeling and new construction needs. The Operational Services Department budgets for District-wide needs. Projected student enrollment growth provides a basis for determining future needs for additional facilities and remodeling projects.

The Central Services budget is administered by the Finance Office and the Office of Assessments, Technology, and Information Services.

Capital needs for Axtell Park School are also included in this budget.

Operational Services/Central Services/Axtell Park Allocation

Budget Data	Budget FY17	Budget FY17	Increase/ (Decrease) from Prior Year
Renovations & Maintenance	\$ 1,180,728	\$ 1,929,056	\$ 748,328
Site Improvements	352,200	588,750	236,550
Purchased Services (Transportation)	2,560,000	2,621,290	61,290
Purchased Services	25,000	45,000	20,000
Equipment	139,711	94,602	(45,109)
Building Allocation	35,597	36,700	1,103
Vehicles	186,000	122,000	(64,000)
Technology	446,058	816,199	370,141
Total	\$ 4,925,294	\$ 6,253,597	\$ 1,328,303

Significant purchases planned for FY18 school year include:

Professional Services

- Study boiler and air conditioning systems for upgrades and replacement at Axtell Park School \$45,000

Renovations and Maintenance

- Upgrade/replace boiler and air conditioning systems at Axtell Park School \$220,000
- Replace phone system at Axtell Park School \$30,000
- Install generator for power back-up of computers and sump-pump system at the Instructional Planning Center \$25,000
- District-wide—General building repair \$250,000
- District-wide—Roof repairs \$20,000
- District-wide—Summer painting and plaster repair \$150,000
- District-wide—Carpet replacement \$250,000
- District-wide—Asbestos tile removal \$40,000

Site Improvements

- District-wide—Asphalt repair/replacement \$200,000
- District-wide—Concrete repair/replacement \$200,000

Equipment, Furniture and Technology

- Update energy management software and ongoing field panel upgrades \$70,000
- District-wide—Update security systems \$730,950
- Technology needs including servers, smartboards, projectors, disk storage, and software licenses \$602,625
- New tractors for Patrick Henry and Whittier Middle Schools \$78,000
- Various maintenance/cleaning equipment replacement to be used throughout the District \$20,000
 - floor scrubbers
 - carpet fans
 - various shop tools
 - vacuum cleaners
 - walk off mats
 - burnishers

Vehicles

- Replace shop trucks including plows and utility box \$87,000
- Replace electrician's van \$35,000

CAPITAL OUTLAY FUND

Debt Services

Principal and interest payments charged to the Capital Outlay Fund result from issuing capital outlay certificates. Approximately \$1.37 of an expected \$2.84 capital outlay levy is currently needed to pay debt services expense. The Capital Outlay Fund levy devoted to long-term debt is expected to be \$1.23 by the end of the five-year plan (FY20.)

Debt Services Budget

Budget Data	Budget FY17	Budget FY17	Increase/ (Decrease) from Prior Year
Principal	\$6,535,000	\$8,480,000	\$1,945,000
Interest	5,727,976	5,364,481	(363,495)
Dues and Fees (includes tax-sharing agreements)	633,068	613,108	(19,960)
Total	\$12,896,044	\$14,457,589	\$1,561,545

- Includes debt service for all outstanding Capital Outlay Certificates.
- Dues and Fees include the fees on the Capital Outlay Certificates (\$15,000) and the Harrisburg and West Central Payments, which will be made in accordance with the Harrisburg Tax Revenue Sharing Agreement (\$547,860) and the West Central Tax Sharing Agreement (\$50,248).

CAPITAL OUTLAY FUND

Five-Year Capital Outlay Fund Plan

South Dakota State Law 13-16-9.2 states, “Five year plan required when fund used to construct new facilities or additions. Any school district using the capital outlay fund for payment of construction of new facilities or construction of additions to facilities must develop and maintain a five year plan on the annual projected revenues and the annual projected expenditures for the capital outlay fund and such projected expenditures shall itemize the projected costs for new or additional facilities.”

The following is the Five-Year Capital Outlay Fund Plan of the Sioux Falls School District for the years FY18– FY22.

FIVE-YEAR CAPITAL OUTLAY FUND PLAN

Revenues	FY18	FY19	FY20	FY21	FY22
Total Revenue Available	\$31,226,746	\$31,843,788	\$32,473,184	\$33,115,182	\$33,770,035
Use	FY18	FY19	FY20	FY21	FY21
Long Term Debt					
2009 Issue	1,790,985	1,771,823	1,759,262	1,732,783	1,712,794
2010 Issue	1,247,345	1,251,107	749,262	692,783	632,794
2011 Issue	3,005,750	3,006,345	3,006,695	3,007,633	3,001,420
2012 Issue	2,687,750	2,693,450	2,690,200	2,301,875	2,303,225
2013 Issue	4,149,594	4,105,394	4,069,194	4,040,794	4,009,794
2015 Issue	963,056	962,206	956,706	960,082	957,081
Capital Outlay Certificates Subtotal	\$13,844,480	\$13,790,325	\$13,231,319	\$12,735,950	\$12,617,108
Debt Administration Dues and Fees	15,000	15,000	15,000	15,000	15,000
Total Long Term Debt	\$13,859,480	\$13,805,325	\$13,246,319	\$12,750,950	\$12,632,108
Land and Building Acquisitions	-	-	-	-	-
Playground Equipment	45,000	45,000	45,000	45,000	45,000
Construction Additions, Renovations, Maintenance and Site Improvements	7,028,270	6,949,217	7,247,194	7,569,081	7,951,845
Harrisburg/West Central Payment	598,108	628,013	659,414	692,385	727,004
KLRN Equipment	-	-	-	-	-
CTE Academy Equipment	-	-	-	-	-
Vehicles	122,000	125,660	129,430	133,313	137,312
Technology	2,788,116	5,833,333	4,463,333	4,964,730	4,399,266
Curriculum Study	15,700	197,000	125,000	270,000	325,000
Miscellaneous Equipment	815,509	839,974	865,173	891,129	917,863
CIP Projects Fund	-	-	-	-	-
Building Allocations	555,477	572,141	589,306	606,985	625,194
Bus Expense from General Fund	2,621,290	-	-	-	-
Total Capital Expenditures	\$28,448,950	\$28,995,663	\$27,370,169	\$27,923,573	\$27,760,592

The tables below reflect the five-year plan for the Capital Improvement Plan for the District.

CIP Revenue	FY18	FY19	FY20	FY21	FY22
CIP Projects	\$143,314	\$3,312,605	\$4,585,083	\$5,722,095	\$5,546,889
CO Certificate Proceeds	-	-	-	-	-
Total CIP Revenues	\$143,314	\$3,312,605	\$4,585,083	\$5,722,095	\$5,546,889

CIP Cash Flow	FY18	FY19	FY20	FY21	FY22
Prior Year CIP Fund Balance	\$(143,314)	\$ -	\$3,312,605	\$1,897,689	\$1,619,783
Revenues	143,314	3,312,605	4,585,084	5,722,094	5,546,889
CIP Projected Expenditures	-	-	(6,000,000)	(6,000,000)	(6,000,000)
Net CIP III Fund Balance	\$ -	\$3,312,605	\$1,897,689	\$1,619,783	\$1,166,672
Unobligated CO Fund Balance	8,248,995	8,248,995	8,248,995	8,248,995	8,248,995
Net Fund Balance (CIP and Capital Outlay)	\$8,248,995	\$11,561,600	\$10,146,684	\$9,868,778	\$9,415,667

The Administration plans for future land purchases for necessary parking/playground expansion at approximately five locations throughout the District.

Land Bank	FY18	FY19	FY20	FY21	FY22
Beginning Year Balance	\$690,554	\$790,554	\$890,554	\$990,554	\$1,090,554
Additional Budgeted Reserve	100,000	100,000	100,000	100,000	100,000
Total Land Bank	\$790,554	\$890,554	\$990,554	\$1,090,554	\$1,190,554

The Administration plans to keep the Career and Technical Education Academy equipped with the most current technology and equipment needed for the programs at the Academy.

CTE Equipment Fund	FY18	FY19	FY20	FY21	FY22
Beginning Year Balance	\$335,640	\$381,958	\$429,665	\$478,804	\$529,417
Additional Budgeted Reserve	46,318	47,707	49,139	50,613	52,131
Less Expenditures	-	-	-	-	-
Total CTE Equipment Fund Reserve	\$381,958	\$429,665	\$478,804	\$529,417	\$581,548

The Administration plans for the District-wide replacement hardware for the 1:1 Initiative and replacement hardware for the wireless network.

Wireless Replacement Bank	FY18	FY19	FY20	FY21	FY22
Beginning Year Balance	\$(2,000,109)	\$(1,304,264)	\$(927,954)	\$(321,161)	\$26,242
E-Rate Reimbursement	-	-	-	-	-
Additional Budgeted Reserves	695,845	376,310	606,793	347,403	357,825
Expenditures	-	-	-	-	-
Total CTE Equipment Fund Reserve	\$(1,304,264)	\$(927,954)	\$(321,161)	\$26,242	\$384,067

1:1 Initiative Bank	FY18	FY19	FY20	FY21	FY22
Beginning Year Balance	\$1,911,175	\$1,911,175	\$911,175	\$661,175	\$(379,825)
Additional Budgeted Reserves	-	(1,000,000)	(250,000)	(1,041,000)	(60,402)
Total CTE Equipment Fund Reserve	\$1,911,175	\$911,175	\$661,175	\$(379,825)	\$(440,227)

The Administration plans to replace electronic pollbooks for the needs of Election Services.

Election Equipment Replacement Bank	FY18	FY19	FY20	FY21	FY22
Beginning Year Balance	\$ -	\$11,000	\$22,500	\$34,500	\$47,000
Additional Budgeted Reserves	11,000	11,500	12,000	12,500	13,000
Total CTE Equipment Fund Reserve	\$11,000	\$22,500	\$34,500	\$47,000	\$60,000