

## **Use of Endowment Fund Revenue Stream for funding of School District Real Properties**

This proposal provides a consistent, long-term solution for funding local school districts' (including Charter Schools) facility and capital improvement needs. As proposed, it will provide districts the flexibility to meet their unique building needs. Local property tax relief will be provided through utilizing these funds to take the burden off the local property owners.

### **Total K-12 Annual Endowment Distribution in FY23 and FY24 of \$61MM.**

- Distributions will be required to be used for new, remodel, expanded, replacement or maintenance of school real property
- Annual Distributions will be split between \$40MM "guaranteed" distributions and "additional" annual distributions from the Endowment Fund (\$21MM in FY23/FY24).

### **"Guaranteed" Annual Revenue stream of \$40MM to K-12 schools (\$500MM in bonding capacity)**

- Guaranteed annual revenue stream will be pro rated (consider distribution by enrollment, similar to lottery monies) among the 115 school districts
- \$40MM Annual Revenue stream produces **\$500MM in total bonding capacity** – (20 years, 5%)

### **Use of Guaranteed Monies**

- School Districts can use their monies for new, remodel, expanded, replacement or maintenance of capital projects or make payments toward existing bonds  
Or
- **School Districts can commit their annual revenue stream** toward a capital project bond or payoff existing bonds

**"Additional" Annual Revenue monies of \$21MM (FY23/FY24)** will be distributed to school districts on a pro rated basis(consider distribution by enrollment, similar to lottery monies).

### **Use of Additional Monies**

- School Districts can use their monies for new, remodel, expanded, replacement or maintenance of capital projects or make payments toward existing bonds
- School Districts **can not** commit the additional monies future revenue stream toward a capital bond or bond payment beyond one year.