

# MEMORANDUM



**From:** Douglas Howell, Superintendent  
**To:** Board of Trustees  
**Date:** March 5, 2024  
**RE:** Bond Discussion Considerations

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### Overview of Potential Revenue Picture

Last week, the Revenue and Taxation Committee passed HB521 School Modernization Facilities Fund (SMFF) on a 13-1 vote. By Friday, it was presented on the House floor and passed overwhelmingly at 61-6. It now moves to the Senate, but seems to be on a fast track with a lot of support.

Presently, if passed, the district's share of the SMFF allocation is \$43 million, however, district lottery allocations will be folded into the SMFF allocation. The district's current lottery allocation is approximately \$1.2 million per year, and thus, over 10 years would account for approximately \$12 million "deducted" from the \$43 million SMFF funds, for a net of \$31 million. Historically, the lottery funds have been used in conjunction with our school/plant levy allocation to support annual CIP projects.

Additionally, the bill sets the School District Facilities Fund (formerly HB 292) at \$3.2 million per year. This allocation is required to be used for any supplemental or school/plant levies first before they can be used or spent for new projects. Because the district has both a supplemental and a school plant facilities levy, the \$3.2 million per year is obligated to go towards those levies.

### Potential Options for Consideration

The following are potential options that the Board may consider in the development of the district's 10 Year Facilities Plan. The Plan will be reevaluated annually as part of the Capital Improvement Program (CIP) Committee process.

- 1.1 Use insurance replacement money (Est. \$25 million) plus a majority of SMFF allocation (\$31-\$43 million) to rebuild HHS to 6A standard with all design elements as presented in November. Recall that HHS and the CHS activities renovation bond amount was \$45 million. The CHS portion of that amount was approximately \$11 million.
- 1.2 Determine an approximate amount for the HHS rebuild and submit ballot language for the May bond election should HB521 not pass.
- 2.1 Use insurance replacement money and scale back the amount for HHS using the balance of SMFF for other projects including those identified through CIP or Future Projects. Some of these could include future building, or expansion of an elementary school; renovating Lincoln entry; renovating CHS activity area; purchase property in North Pocatello for future growth.
- 2.2 Determine bond amount and language should HB521 not pass.

- 3.1 Use insurance replacement money only for HHS and use SMFF \$32-\$43 million for other projects including those identified through CIP or Future Projects. Some of these could include building, or expanding an elementary school; renovating Lincoln entry; renovating CHS activity area; purchase property in North Pocatello for future growth.
- 3.2 No bond necessary at this time?