

Capital Outlay Financing Formula

State of Vermont
Department of Education
Montpelier, Vermont

Adopted by:
The State Board of Education
on September 19, 2006

STATE BOARD OF EDUCATION

The State Board of Education voted to establish the effective date for implementation of the current Capital Outlay Financing Formula as of September 19, 2006.

On August 18, 1998 the State Board of Education voted to approve that the maximum eligible cost for construction aid shall be determined by applying the capital outlay financing formulas to the approved educational specifications for a proposed project. The maximum cost for state participation shall in no way limit the amount of construction cost that a local district may authorize or expend on a project. The capital outlay financing formulas shall be subject to review by the State Board of Education every year.

State Board Rule: Series 6000

Maximum Eligible Building Costs For State Participation Purposes:

The formulas and procedures that follow are intended to determine the maximum eligible cost for state participation purposes on any school construction project eligible for state construction aid under Vermont statutes and State Board of Education policy. The maximum eligible cost shall be determined by the Commissioner applying the formulas to the approved educational specifications for the proposed project, but shall in no way limit the amount of construction cost that a local district may authorize or expend on a project. If the local district wishes to authorize construction costs in excess of this figure, it may, but the state construction aid will be calculated on the basis of the maximum eligible cost. Any costs in excess of this will be borne by the local district. The space allocation formulas and allowable cost per square foot of construction shall be subject to review by the State Board of Education every year.

Definitions: For purposes of determining eligibility, the following definitions shall apply:

Costs Eligible for Construction Aid

1. Emergency project costs required to address imminent threats to safety and health of students or employees for which construction is necessary.
2. Fees for permits, clerk of the works, and legal, architectural and engineering services.
3. Razing existing on-site structures.
4. Installation of utilities and associated costs either on-site or where legal right-of-way is obtained by the school district, including grading, drainage facilities, power plants, sewer, water, wells and pumps, waste treatment, electricity, roads, walks, parking areas and lighting.
5. Athletic fields and other site development projects necessary to provide exterior facilities to carry out an approved educational program.
6. Landscaping incidental to the construction.
7. Construction to meet state agency regulations, including but not limited to fire and safety, environmental, and VOSHA.
8. Roof replacement if:
 - (a) it is a structural improvement which will extend the life of the building, or
 - (b) the roof has exceeded its life expectancy and will be completely replaced and upgraded.
9. School building construction or purchase, and extensive additions, alterations and renovations to existing schools consistent with 16 VSA §3448(a)(2)(A).
10. Fixed equipment approved by the Commissioner.

Partially Eligible Costs:

1. Swimming pools, skating rinks, theaters, and other structures with valid education functions but primarily programmed for community use and/or revenue production are to be counted into the total space allowances eligible for construction aid at a percentage which is the ratio of educational use to total use; such percentage to be determined in each case by the Commissioner. Auxiliary spaces, such as locker rooms, changing rooms, spectator areas and mechanical equipment areas may be included as partially eligible costs.
2. School Construction on land or buildings which are part of a permanent deeded easement or right-of-way is eligible for state participation as a partially eligible cost at a percentage to be determined by the Commissioner.
3. Office space for administration.

Non-eligible Costs

1. Structures or spaces designed exclusively for use of other agencies or services such as community centers, town offices, or civil defense shelters.
2. Repair or maintenance projects that do not amount to extensive additions, alterations or renovations.
3. Stadiums
4. School furniture, computers, computer hardware, cleaning equipment and supplies.
5. Interest on bonding or short term borrowing costs.
6. Time spent on the construction project by school board members or employees of the district.
7. Deferred Maintenance. No state construction aid shall be available for any proposed project or construction which has arisen in whole or in part from significant deferred maintenance. For the purpose of this section, “deferred maintenance” means costs for construction repairs or other improvements necessitated by the lack of reasonable and timely maintenance including periodic minor repairs of school buildings and mechanical systems.

Questionable Costs of Spaces

1. Costs or spaces not falling clearly within the list of eligible or partially eligible costs or spaces and not specifically excluded as non-eligible shall be submitted to the Commissioner for status determination prior to project commencement, or shall automatically be considered as not eligible for construction aid.
2. Districts aggrieved by the decision of the Commissioner regarding eligible cost may appeal to the State Board of Education. The State Board after opportunity for hearing may affirm, modify, or reverse the decision of the Commissioner.

**MINIMUM SQUARE FEET PER STUDENT FOR
PROGRAM AND SERVICES IN GRADES K-6**

If one or more of the following are included in the proposed construction aid project, the following minimum requirements shall apply by grade range and school size for the program and service areas.

Program and Services	Minimum Square Footage Required For Design
1. Kindergarten	50 square feet net per student use
2. General Instruction	30 square feet net per student use
3. Library	<250 students: 750 sq. ft. net; >249 students: 3 sq. ft. per student
3a. Library Storage	10% floor area
3b. Library Workroom/Conference	10% floor area
4. Art	50 square feet net per student use
4a. Art Storage	10% floor area
5. Music Classroom	30 square feet net per student use
5a. Music Storage	10% floor area
6. Combined labs for 2 or More Specific Programs, incl Science	50 square feet net per student use
6a. Combined Lab Storage Area	10% floor area
7. Computer Lab	30 square feet net per student use
7a. Computer Lab Service Area	50 square feet
8. Special Services	2 square feet x capacity
9. Multi-Purpose Room	<60 students: 1,200 square feet; >59 students: 2,400 square feet net
9a. Multi-Purpose Storage	<60 students: 10% floor area; >59 students: 15% floor area
10. Gymnasium	3,840 square feet Regulation Court
10a. Gymnasium Storage	10% floor area
11. Cafeteria/Dining Room	7 square feet net x planned seating capacity
11a. Cafeteria/Dining Room Storage	5% floor area
12. Kitchen: Onsite production and includes required storage	<250 students: 500 square feet net; >249 students: 3 square feet x capacity; >500 students: 2 square feet x capacity
13. Auditorium	>499 students: 6 square feet x capacity
14. Theater	>499 students: 2 square feet x capacity
15. Stage	5% floor area multi-purpose, gymnasium or dining rooms
16. Health	<250 students: 150 square feet net plus toilet facilities; >249 students: 1 square foot x capacity plus toilet facilities
17. Guidance	1 square foot x capacity
18. Conference	1 square foot x capacity
19. Administration	3 square feet x capacity
20. Project Rooms	3 square feet x capacity less kindergarten population
21. Teacher Planning Room	2 square feet x capacity
22. General Storage	2 square feet x capacity
23. Sub-Total	
24. Supports (toilets, halls, etc...)	No greater than 30% of sub-total

**MINIMUM SQUARE FEET PER STUDENT FOR
PROGRAM AND SERVICES IN GRADES K-8**

If one or more of the following are included in the proposed construction aid project, the following minimum requirements shall apply by grade range and school size for the program and service areas.

Program and Services	Minimum Square Footage Required For Design
1. Kindergarten	50 square feet net per student use
2. General Instruction	30 square feet net per student use
3. Library	<250 students: 750 sq. ft. net; >249 students: 3 sq. ft. per student
3a. Library Storage	10% floor area
3b. Library Workroom/Conference	10% floor area
4. Art	50 square feet net per student use
4a. Art Storage	10% floor area
5. Music Classroom	30 square feet net per student use
5a. Music Storage	10% floor area
6. Music/Instrumental	50 square feet net per student use >100 students; 2,000 square feet
6a. Music/Instrumental Storage	10% floor area
7. Science Laboratory	50 square feet net per student use
7a. Science Preparation Storage	10% floor area
8. Foreign Language	30 square feet net per student use
9. Family Consumer Science	50 square feet net per student use
9a. Family Consumer Storage	10% floor area
10. Combined labs for 2 or More Specific Programs, incl. Science	50 square feet net per student use
10a. Combined Lab Storage Area	10% floor area
11. Computer Lab	30 square feet net per student use
11a. Computer Lab Service Area	50 square feet
12. Special Services	2 square feet x capacity
13. Multi-Purpose Room	<60 students: 1,200 square feet; >59 students: 2,400 square feet net
13a. Multi-Purpose Storage	<60 students: 10% floor area; >59 students: 15% floor area
14. Gymnasium	3,840 square feet Regulation Court
14a. Gymnasium Storage	10% floor area
14b. Locker Rooms	10% floor area
15. Cafeteria/Dining Room	7 square feet net x planned seating capacity
15a. Cafeteria/Dining Room Storage	5% floor area
16. Kitchen: Onsite production and includes required storage	<250 students: 500 square feet net; >249 students: 3 square feet x capacity; >500 students: 2 square feet x capacity
17. Auditorium	>499 students: 6 square feet x capacity
18. Theater	>499 students: 2 square feet x capacity
19. Stage	5% floor area multi-purpose, gymnasium or dining rooms
20. Health	<250 students: 150 square feet net plus toilet facilities; >249 students: 1 square foot x capacity plus toilet facilities
21. Guidance	1 square foot x capacity
22. Conference	1 square foot x capacity
23. Administration	3 square feet x capacity
24. Project Rooms	3 square feet x capacity less kindergarten population
25. Teacher Planning Room	2 square feet x capacity
26. General Storage	2 square feet x capacity
27. Sub-Total	
28. Supports (toilets, halls, etc...)	No greater than 30% of sub-total

**MINIMUM SQUARE FEET PER STUDENT FOR
PROGRAM AND SERVICES IN MIDDLE OR JUNIOR HIGH GRADES**

If one or more of the following are included in the proposed construction aid project, the following minimum requirements shall apply by grade range and school size for the program and service areas.

Program and Services	Minimum Square Footage Required For Design
1. General Instruction	30 square feet net per student use
2. Library	4 square feet x capacity; minimum 1000 square feet
2a. Library Storage	10% floor area
2b. Library Workroom/Conference	10% floor area
3. Art	50 square feet net per student use
3a. Art Storage	10% floor area
4. Music Classroom	30 square feet net per student use
4a. Music Storage	10 % floor area
5. Music/Instrumental	50 square feet net per student use >100 students 2, 000 square feet
5a. Music/Insturmental Storage	10% floor area
6. Science Laboratory	50 square feet net per student use
6a. Science Preparation Storage	10% floor area
7. Foreign Language	30 square feet net per student use
8. Tech Ed/Family Consumer Science	50 square feet net per student use
8a. Tech Ed/Family Consumer Storage	10 % floor area
9. Combined labs for 2 or More	50 square feet net per student use
Specific Programs above	
9a . Combined Lab Storage Area	10% floor area
10. Computer Lab	30 square feet net per student use
10a. Computer Lab Service Area	50 square feet
11. Special Services	2 square feet x capacity
12. Multi-Purpose Room	<60 students: 1,200: >59 students: 2,400 square feet net
12a. Multi-Purpose Storage	<60 students: 10% floor area; >59 students: 15% floor area
13. Gymnasium	3,840 square feet Regulation Court
13a. Gymnasium Storage	10% floor area
13b. Locker Rooms	10% floor area of gym, per locker room
14. Cafeteria/Dining Room	10 square feet net x planned seating capacity
14a. Cafeteria/Dining Room Storage	5% floor area
15. Kitchen: Onsite production and includes required storage	<250 students: 500 sq. feet net: >249 students 3 sq. ft. x capacity
	>500 students: 2 square feet x capacity
16. Auditorium	8 square feet x capacity
17. Theater	3 square feet x capacity
18. Stage	5% floor area multi-purpose, gymnasium, or dining room
19. Health	<250 students: 150 square feet net plus toilet facilities;
	>249 students: 1 square feet x capacity
20. Guidance	2 square feet x capacity
21. Conference	1 square foot x capacity
22. Administration	3 square feet x capacity
23. Project Rooms	4 square feet x capacity
24. Teacher Planning Room	2 square feet x capacity
25. General Storage	2 square feet x capacity
26. Sub-Total	
27. Supports (toilets, halls, etc...)	No more than 30% of sub-total

**MINIMUM SQUARE FEET PER STUDENT FOR
PROGRAM AND SERVICES FOR HIGH SCHOOL**

If one or more of the following are included in the proposed construction aid project, the following minimum requirements shall apply by grade range and school size for the program and service areas.

Program and Services	Minimum Square Footage Required For Design
1. General Instruction	30 square feet x capacity @ 70%
2. Library	4 square feet x capacity; minimum 1000 square feet
2a. Library Storage	10% floor area
2b. Library Workroom/Conference	10% floor area
3. Art	50 square feet net per student use
3a. Art Storage	10% floor area
4. Music Classroom	30 square feet net per student use
4a. Music Storage	10% floor area
5. Music/Instrumental	50 square feet net per student use >100 students 2,500 sq. feet
5a. Music/Instrumental Storage	10% floor area
6. Science Lab	50 square feet net per student use
6a. Science Preparation/Storage	10% floor area
7. Foreign Language	30 square feet net per student use
8. Tech Ed/ Family Consumer Science	50 square feet net per student use
8a. Tech Ed./Family Cons Sci Storage	10% floor area
9. Combined Lab of 2 or more Specific Programs above	50 square feet net per student use
9a. Combined Lab Storage	10% floor area
10. Computer Lab	30 square feet net per student use
10a. Computer Lab Storage	50 square feet
11. Special Services	2 square feet x capacity
12. Multipurpose Room	<60 students: 1,200; >59 students: 2,400 square feet net
12a. Multipurpose Room Storage	<60 students: 10% floor area; >59 students: 15% floor area
13. Gymnasium	5,040 square feet Regulation Court
13a. Gymnasium Storage	10% floor area
13b. Locker Rooms	10% floor area of gym, per locker room
14. Cafeteria/Dining Room	10 square feet net x planned seating capacity
14a. Cafeteria/Dining Room Storage	5% floor area
15. Kitchen: Onsite production and all required storage	<400 students: 3 square feet; >399 students: 2 square feet
16. Auditorium	8 square feet x capacity
17. Theater	3 square feet x capacity
18. Stage	5% floor area: multipurpose, gymnasium, or dining room
19. Health	<500 students: 500 square feet; >499 students: 2 sq. feet x capacity
20. Guidance	2 square feet x capacity
21. Conference	2 square feet x capacity
22. Administration	4 square feet x capacity
23. Project Rooms/Student Centers	3 square feet x capacity
24. Teacher Planning Rooms	2 square feet x capacity
25. General Storage	2 square feet x capacity
26. Sub-Total	
27. Supports (toilets, halls,etc....)	No more than 30% of sub-total

MAXIMUM SPACE AND PARAMETERS FOR CONSTRUCTION AID

The space parameters below shall determine the Maximum Gross Square Footage Per Student Capacity for State Participation on portions of a project eligible for construction aid.

Space Allowance Table

Grade Range	Gross Square Footage Per Student, for
K-6	140
K-8	160
Middle or Junior High	160
High School	180

- A. The Commissioner will determine an average gross square footage per student when a 7-12 or K-12 combination is proposed.
- B. The Commissioner will determine an average gross square footage per student and apply the necessary minimum and maximum square footages to unique combinations of grades.
- C. In cases of renovations and additions the Commissioner will determine the gross square footage useable for educational purposes of an existing building establishing the maximum square footage allowable for construction aid.

MAXIMUM COST PARAMETERS FOR CONSTRUCTION AID

The Maximum Cost for State Participation shall be determined by multiplying the basic unit cost by the total allowable square footage. The basic unit cost reflects all costs associated with the construction.

A. BASIC UNIT COST INCREMENTS THAT WOULD BE ELIGIBLE FOR STATE CONSTRUCTION AID

FOR NEW PROJECT 10,000 SQUARE FEET OR LARGER	BUILDING COSTS INCLUDING FIXED EQUIPMENT (OR EQUIVALENT) AND FEES (PER SQUARE FOOT)	DEMOLITION (WHERE NECESSARY) (PER SQUARE FOOT)	SITE WORK (EXCLUDING WASTE TREATMENT) (PER SQUARE FOOT of Impacted site)	WASTE TREATMENT FACILITIES (WHEN NOT ON MUNICIPAL SEWER) (PER SQUARE FOOT)
Elementary K-6	\$175.00	\$3.00	\$3.00	\$5.00
Elementary	\$185.00	\$3.00	\$3.00	\$5.00
Middle Grades or Junior High School	\$185.00	\$3.00	\$3.00	\$5.00
High School	\$195.00	\$3.00	\$3.00	\$5.00
Technical & Career Centers	\$204.00			

- B. For remodeling existing educational spaces, the maximum eligible building cost is 70% of the building cost figures above. For site work and waste treatment, when applicable, above figures to apply.
- C. For conversion of existing non-educational spaces to educational use, maximum building cost to be 70% of above figures. Above figures to apply on site work and waste treatment where applicable.
- D. Additional Increments for Special Circumstances:
In the event of unusually difficult and unavoidable site conditions engaging more than normally expensive site work or waste treatment facilities, and renovations to existing buildings to retain their historical features, the unit cost increments for these areas may be increased by the Commissioner of Education.
- E. Renewable energy: Additional costs associated with the installation of non-fossil fuel heating/cooling systems will be added to the Maximum Cost for State Participation and reimbursed as defined by statute. See 16 VSA §3448 (7) (B).
Districts applying for aid under this section may be asked to submit estimates prepared by qualified professionals to quantify the specific component costs in excess of the cost for a traditional fossil fuel system.
- F. Cost Index Relationship: Unit costs will be subject to annual readjustment by the State Board of Education. The readjustment will be based on the past year's cost of school construction.

DETERMINING MAXIMUM COSTS FOR SCHOOL CONSTRUCTION, ALTERATIONS, AND ADDITIONS

For new school construction, determine the total space allowance for the project from the Space Allowance Tables. Using the Space Allowance chart, multiply the approved gross square footage by the maximum square footage cost.

To determine space allowance for an addition, deduct from the total space allowance the area of the existing building adjusted for its current age status by multiplying the area by the applicable use factors listed below. The applicability of Use Factors is at the discretion of the commissioner.

Use factors for existing structures:

Basement areas	25%
Above grade pre-1945 facilities	70%
Above grade facilities constructed since 1945	80%

To determine the maximum cost for state participation purposes, multiply the new space allowance by the unit cost for new construction and multiply the area in the existing building that is identified for remodeling by the unit cost identified in the Basic Unit Cost chart and the supplemental increment allowed for renovation.

The following example determines the Maximum Cost for State Participation (M.C.S.P.) for a new elementary school K-6 with an approved design capacity of 340 students. Includes an allowance for 12 acres site work, incl. parking and athletic fields, and on-site waste treatment.

<i>New building allowance:</i>	$340 \times 140 \text{ square feet} = 47,600$
	$47,600 \text{ square feet} \times (\$175 + 5) = \$8,568,000$
<i>Site work allowance:</i>	$(43,560 \text{ sq ft} \times 12) \times \$3 = \underline{1,568,160}$
<u><i>Maximum Cost for State Participation:</i></u>	<u>\$10,136,160</u>

The following example demonstrates the Maximum Cost for State Participation (M.C.S.P.) for a proposed 25,000 square foot addition and renovation to a K-6 school with an approved design capacity of 340 students. The existing building is 30,000 square feet of 1960 vintage, of which 22,000 square feet will be remodeled. The school is served by municipal waste treatment and is adding a 27,800 sq ft parking and drop-off area.

<i>Max space allowance:</i>	$340 \times 140 \text{ square feet} =$	47,600
<i>Minus adjusted existing building sq footage:</i>	$30,000 \times 80\% =$	<u>24,000</u>
	<i>Building allowance for new addition:</i>	23,600 sq ft
<i>Building allowance for new addition:</i>	$23,600 \times \$175 =$	\$4,130,000
<i>Renovations:</i>	$22,000 \times (\$175 \times 70\%) =$	2,695,000
<i>Site work allowance:</i>	$27,800 \text{ sq ft} \times \$3 =$	<u>83,400</u>
<u><i>Maximum Cost for State Participation:</i></u>		<u>\$6,908,400</u>

Minimum Requirements:

Minimum requirements regarding facility planning and construction will be those included in State Board of Education rules 6100.

