

Life Safety Bonds and Financing Critical Projects

March 6, 2026



Illinois Association of School Business Officials | Friday, March 6, 2026 | Drury Lane Events, Oakbrook Terrace



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Introductions

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Non-Referendum Borrowing Options

- School districts have several non-referendum borrowing alternatives, including:
 - Working Cash Fund Bonds
 - Funding Bonds
 - **Life Safety (or SFPS) Bonds**
 - Debt Certificates
 - Alternate Revenue Bonds



Property Tax Extension Limitation Law (PTELL)

- “Tax Cap” enacted in Collar Counties in 1991; in Cook County in 1994; and in downstate counties by referendum beginning in 1996
- Limits the annual increase in property tax revenue a non-home rule taxing district may receive to the lesser of 5% or CPI
- Law in 39 of 102 counties, representing approximately 80% of the State’s population



Public Act 103-0591

- Signed into law in June 2024
- Excepts taxes levied to pay Life Safety bonds from the Tax Cap (PTELL)
- May be paid back up to 30 years



Why was Life Safety Bond Legislation Necessary/Desirable?

- Prior to PA 103-0591, extensions made to pay Life Safety Bonds were only excepted from PTELL to the extent such extensions were within the applicable debt service extension base (DSEB).
- DSEB availability varies greatly among school districts.
- Non-tax capped school districts have been able to issue Life Safety Bonds without limit on the annual debt service payment.



What are School Fire Prevention and Safety (Life Safety, or SFPS) Bonds?

- SFPS bonds are issued by school districts to alter and repair existing school buildings and equipment for fire prevention and safety purposes — “to bring existing buildings up to code”.
- SFPS bonds may also be issued to replace an existing building if the cost of replacement is less than the cost to repair.
- Before SFPS bonds are issued, the improvements to be financed must be approved by Regional Superintendent and State Superintendent.
- Projects will not be approved if work has already commenced.
- Subject to the statutory (6.9% and 13.8%) debt limits.
- BINA public hearing required, but no backdoor referendum (30-day period).
- Repaid with dedicated bond and interest property tax levy.



How is Proposed Life Safety Work Approved?

- District may only issue SFPS bonds to the extent of State-approved “amendments”.

School Board

- Hires an architect to assist the district in correcting school building code violations.
- District must survey each building at least once every 10 years.
- If district intends to issue SFPS Bonds to finance repairs or alterations to any school building, the district must file a “Request for Authorization” with Regional Superintendent/IWAS.

Architect

- Inspects buildings for violations, repairs or alterations.
- Prepares a report of the inspections.
- Certifies that to the best of his/her knowledge, the recommendations and estimated costs to abate the violations are true and accurate and submits an original certificate of approval to the Regional Superintendent and to the State Superintendent.



Life Safety Amendment Process

Regional Superintendent

- Checks the reasonableness of the architect's estimated costs for the proposed work.
- Submits the amendment through the IWAS HLS system to ISBE.
- Issues **Certificate of Approval**.
- (After the State approves the amendment) issues an **Order to Effect** directing the district to undertake such improvements.

State Superintendent

- Checks the accuracy and completeness of the proposed amendment and the reasonableness of estimated costs.
- Approves or denies all or part of the recommendations itemized in the amendment.
- Issues **Certificate of Approval** for the proposed work that is signed by State Superintendent.



Documents Required by Bond Counsel to Confirm Authority to Issue Life Safety Bonds

- Certificate of Approval (from ISBE)
- A/E Certification of Estimated Costs (Certificate of Need)
- Schedule of Violations
- Schedule of Work Items
- Order to Effect



Example-Certificate of Approval and Need for Expenditure of Fire Prevention and Safety Funds

CERTIFICATE OF APPROVAL FOR THE EXPENDITURE OF FIRE PREVENTION AND SAFETY FUNDS

(Section 17-2.11 of the School Code)

NEW TRIER TOWNSHIP H S NORTHFIELD	Cook
School Building	County
New Trier Twp HSD 203, 2030	
District Name and Number	
Amendment Number 14	

Total Previously Approved	\$18,735,510.00
Approved to raise with this Amendment	\$9,167,880.00
Total Approved to Date	\$27,903,390.00
Existing District Funds Approved	\$0.00

I, Dr. Tony Sanders, State Superintendent of Education, acknowledge receipt of the estimate of cost certified by the architect/engineer required:

1.	<input checked="" type="checkbox"/>	to bring this school building into compliance with the safety standards set forth in 23 Ill. Adm. Code Part 175, 23 Ill. Adm. Code Part 180, and or 23 Ill. Adm. Code Part 185 as promulgated by the State Board of Education.
2.	<input type="checkbox"/>	to bring the school building into compliance with the Asbestos Abatement Act 105 ILCS 105/1 et.seq, and the federal Asbestos Hazard Emergency Response Act of 1986 as amended (AHERA).
3.	<input type="checkbox"/>	to provide funds for energy conservation; disabled accessibility; school security; repair of school sidewalks, playgrounds, parking lots, or school bus turnarounds; and other repair purposes pursuant to Section 17-2.11 of the School Code with funds not necessary for the completion of items under No. 1 or No. 2 above.

PART II. CERTIFICATION OF NEED (Provided by district through IWAS)

The local Board of Education hereby certifies and assures the State Board of Education:

- Based upon the report of the architect referred to above, the district faces total estimated costs of \$ 9,167,880.00 to finance the work involved.
- The district has \$0.00 available in its operations and maintenance fund, fire prevention and safety fund, school facility occupation tax fund and/or other fund to finance the work.
- If Fire Prevention and Safety funds are to be used, the district certifies that it has levied the maximum authorized rate for its operations and maintenance fund for the most recent year for which tax rates are available.
- The district needs to raise \$9,167,880.00 in additional revenue through the levy of the Fire Prevention and Safety Tax or issuance of Bonds to finance the recommended work.
- Plans and specifications for the work will be submitted to the Regional Superintendent for review and approval.
- The work to be financed with Fire Prevention and Safety funds will not commence until the Certificate of Approval of the State Superintendent is received, the detailed plans and specifications have been approved by the regional superintendent and the regional superintendent (or other lawful agency) has issued an appropriate Order to Effect Compliance with the Health/Life Safety Code for public schools (or other lawful order requiring the work to be done).
- All work authorized by the District will be executed in conformity with all applicable codes.
- In the case of work recommended to repair school sidewalks, playgrounds, parking lots, or school bus turnarounds the notice and hearing requirements of Section 17-2.11 of the School Code were complied with by publishing the required notice on ___ and holding the required public hearing on ___.

(35-76) (7/07) Prescribed by ISBE for ISBE Use



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Order to Effect Compliance with the Health/Life Safety Code from ROE or ISC

ORDER TO EFFECT COMPLIANCE WITH THE HEALTH/LIFE SAFETY CODE FOR PUBLIC SCHOOLS

(Section 2-3.12 of the School Code of Illinois)

New Trier Twp HSD 203, 2030	Cook
District Name and Number	County
NEW TRIER TOWNSHIP H S NORTHFIELD	Northfield
Facility Name	Facility Location

There has been submitted:

- Ten Year Survey by Jean Hahn, Board President, filed on 10/29/2025 with this office; describing conditions of noncompliance with applicable codes, with respect to this facility; or
- An Amendment Number 14; in the amount of \$9,167,880.00

As it is my duty to enforce the Health/Life Safety Code for Public Schools (23 Illinois Administrative Code Part 180) pursuant to the Provisions of Sections 2-3.12 and 3-14.2 and 3-14.21 of the School Code of Illinois;

Therefore, the Board of Education in Cook County, District #2030 is hereby ordered to make such repairs or alterations as necessary to effect full compliance with the applicable provisions of the Health/Life Safety Code for Public Schools, or complete the work itemized in Amendment Number 14 as approved. Urgent items must be completed within one year, while all other items should be completed within the timelines specified on Form 35-48.



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Life Safety Amendment Prioritization

“A” Items

Urgent: to be corrected within **one year** from final submission

“B” Items

Required: to be corrected within **five years** from final submission

“C” Items

Recommended: not required to be corrected by code, can only be completed once all ‘a’ and ‘b’ items are completed



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Typical Life Safety Improvements

1. Anything related to security – cameras, intercom, glass, secured entry, exterior lighting, etc. – this requires a separate letter
2. Anything related to energy savings if it can be paid back in 20 years or less
3. Anything related to building envelope and allowing water to come into the building – i.e. tuckpointing, roofing, leaking windows, flashing details
4. Anything related to building structure failures – i.e. replacing rusted or deteriorated structural elements likes lintels, roof decking, concrete that is spalling
5. Paving (sidewalk, playgrounds, parking lot) replacement or repair – ***this requires a separate public hearing***
6. Anything related to impeding egress – tripping hazards (flooring) or sticky doors, exit signs
7. Anything related to fire safety – doors, glazing, walls, fire caulk, openings in walls. This does not mean “sprinklering” a non-sprinkled building.
8. Replacement of equipment beyond its useful life cycle – i.e. boilers, unit ventilators, air handling units, lighting, smoke alarms, door hardware, doors, intercom, fire alarm systems, plumbing fixtures, etc. This does not include providing air conditioning for buildings that do not currently have A/C.
9. Asbestos – typically flooring and pipe replacement
10. ADA – 1 drinking fountain, 1 ADA toilet room for girls and one for boys, 1 entry into the building. Nothing else will get approved related to this.
11. Some building replacements have been approved under life safety, but this requires justification that it costs more to repair than to rebuild or correct which can be difficult to do, depending on current conditions of the structure.



Typical Life Safety Bond Timeline (allow at least three months)

District architect provides life safety amendments detailing project and cost by building (Certificate of Need and Amendments)

Board of Education reviews and approves life safety amendments

ROE or Intermediate Service Center reviews and approves life safety amendments and sends them to the Illinois State Board of Education (turnaround dependent on how busy they are – usually 1 week)

ISBE reviews and approves the life safety amendments (turnaround usually 3-6 weeks depending on how busy they are)

Board of Education holds public hearing on bond issue (requires minimum 7-day notice in newspaper, not to exceed 30 days)

Life Safety bond resolution may be approved by the Board a minimum of 7 days after the public hearing



Recent School District Experiences with the Life Safety Approval and SFPS Bond Sale Process

- Allow sufficient time for ISBE approval of your district's Life Safety Amendments, including back-and-forth dialogue with your school district's architect
- Project scope may increase between the time your district's amendments are approved and when bonds are eventually sold; updated amendments can be filed with ISBE
- A school district may hold a BINA hearing before approved amendments and approvals are available, but the Board of Education may not adopt a resolution for the sale of SFPS Bonds until after they are available



Life Safety Bonds and Master Facility Planning



- **Long Range Master Facility Planning** is critical to capturing district-wide needs considering:
 - building capacity/utilization
 - asset preservation
 - programming initiatives
 - security initiatives
 - health life safety requirements
- Typically, there are more needs than available resources, so projects need to be prioritized and communicated to all stakeholders.



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Example of Ten-Year Master Facility Plan (Construction Projects and Funding Sources)

Construction Projects	<u>Summer 2027</u>	<u>Summer 2028</u>	<u>Summer 2029</u>	<u>Summer 2030</u>	<u>Summer 2031</u>	<u>Summer 2032-2036</u>	<u>Total</u>
Life Safety	\$1,604,600	\$5,322,300	\$6,576,600	\$9,576,750	\$15,561,370	\$26,358,380	65,000,000
Infrastructure	4,474,800	1,516,460	4,706,450	1,220,400	113,000	1,474,510	13,505,620
Program Enhancements	734,500	15,255,000	3,870,250	3,983,250	1,418,150	1,079,150	26,340,300
Facility Modernization	20,170,500	1,017,000	6,893,000	5,876,000	3,061,580	8,136,000	45,154,080
Total Cost with Fees	26,984,400	23,110,760	22,046,300	20,656,400	20,154,100	37,048,040	150,000,000

Sources of Funds	<u>Summer 2027</u>	<u>Summer 2028</u>	<u>Summer 2029</u>	<u>Summer 2030</u>	<u>Summer 2031</u>	<u>Summer 2032-2036</u>	<u>Total</u>
Operating Funds	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	27,500,000	55,000,000
Health Life Safety Bonds	14,000,000		27,815,000		23,185,000		65,000,000
DSEB Bonds	30,000,000						30,000,000
Total Sources	49,500,000	5,500,000	33,315,000	5,500,000	28,685,000	27,500,000	150,000,000

Surplus/Deficit	22,515,600	(17,610,760)	11,268,700	(15,156,400)	8,530,900	(9,548,040)	
Cumulative	22,515,600	4,904,840	16,173,540	1,017,140	9,548,040	-	

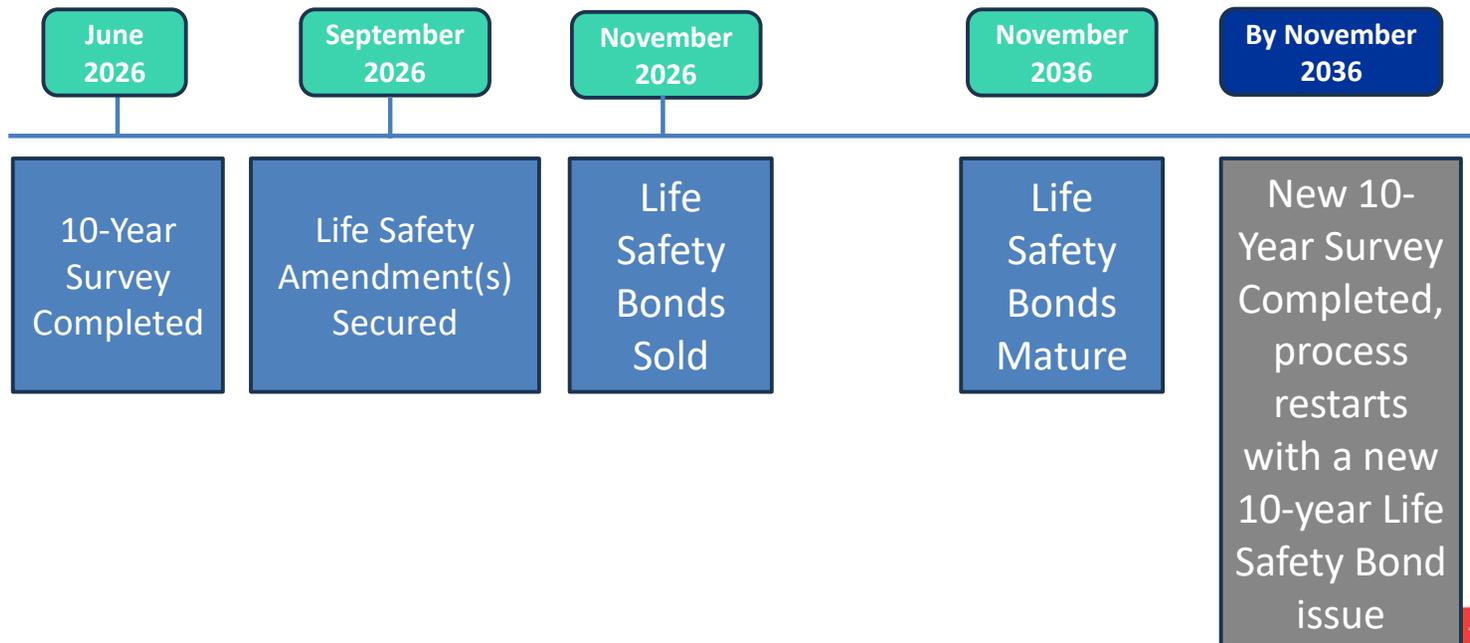


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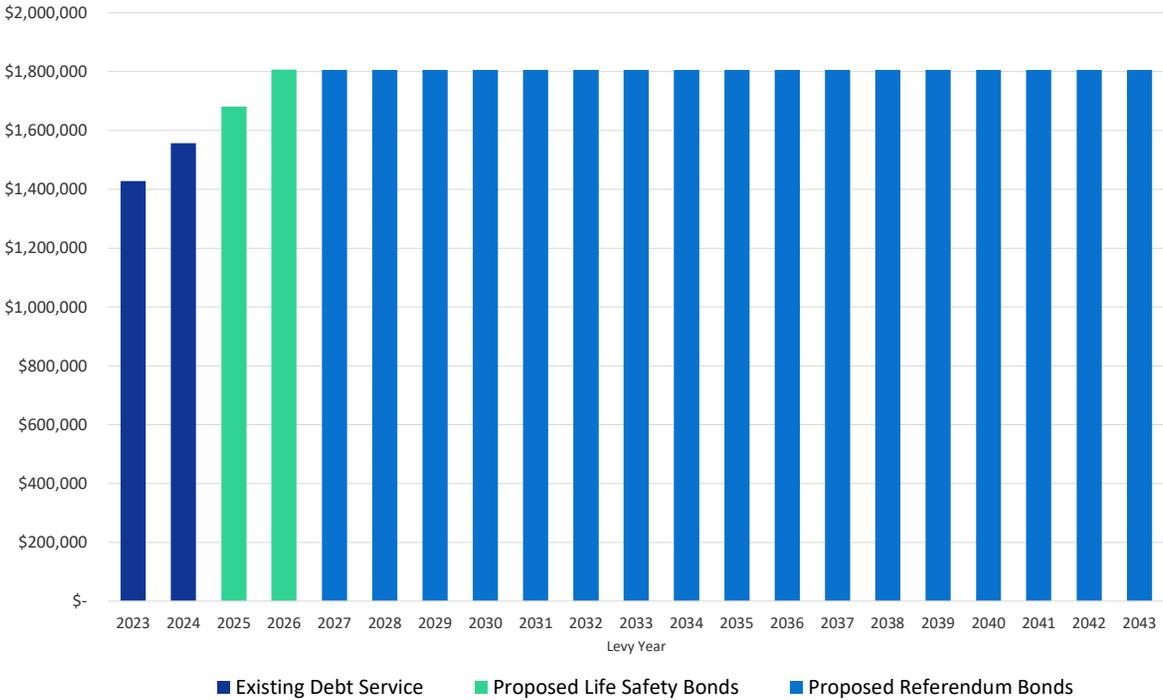
Life Safety Bonds – Debt Structuring Strategy

- ▶ Implement a maturity schedule that syncs with the district's 10-year Life Safety Survey cycle



Life Safety Bonds – Example 1

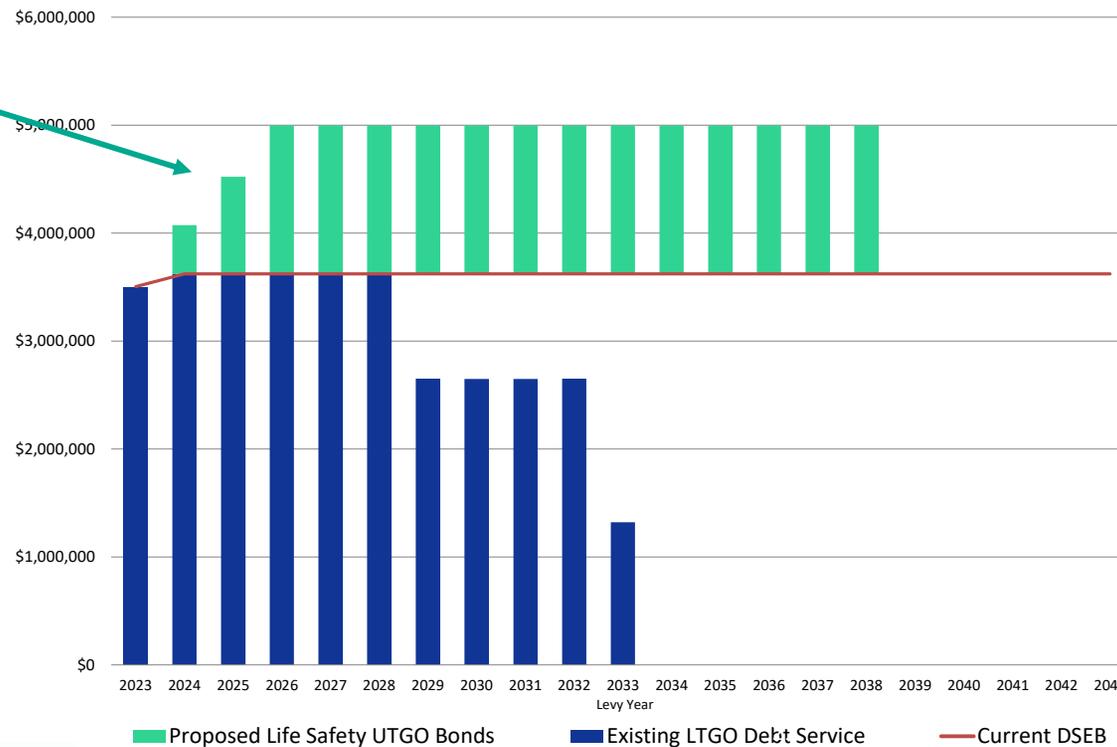
- ▶ Existing referendum debt matures prior to future referendum need
- ▶ Use Life Safety authority as a “bridge”



Life Safety Bonds – Example 2

- ▶ DSEB is at capacity for the next five years
- ▶ Issuing Life Safety bonds avoids costly restructuring

New life safety bonds are phased in over 3 years to moderate the annual increases for the taxpayer



Questions and Answers

We thank you for your time!



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