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FISCAL IMPACT REPORT

SPONSOR:	Salazar	DATE TYPED:	02/0/00	HB	381
SHORT TITLE:	Amend Public School Capital Outlay Act			SB	
				ANALYST:	Kehoe

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
		See Narrative			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

State Department of Education (SDE)

SUMMARY

Synopsis of Bill

House Bill 381 amend the Public School Capital Outlay Act to change certain requirements for grant assistance. The effective date of the amendment is July 1, 2000.

Significant Issues

The proposed amendment in House Bill 381 would allow public schools that are not indebted to at least 75 percent of their bonding capacity to qualify for Public School Capital Outlay Council (PSCOC) funds. To qualify, the school district must: 1) have been indebted to at least 75 percent of its bonding capacity within the last three years; 2) must have received a Public School Capital Outlay award for the first stages of a project, and; 3) must have a critical need for an additional award to complete the project.

The Act currently requires school districts to have a critical need and be indebted at not less than seventy-five percent of its bonding capacity. Under the current program, of the 89 school districts, approximately thirty-five school districts qualify for critical capital outlay funds each year.

FISCAL IMPLICATIONS

The passage of House Bill 381 would increase from 35 to at least 55 school districts qualifying for Public School Capital Outlay Council funds. Priority one capital outlay requests totaled \$114 million in FY99-00. If the monetary requests increase commensurate with the increased number of applicants, the priority one capital outlay requests could increase to nearly \$179 million.

ADMINISTRATIVE IMPLICATIONS

The State Department of Education administers funds for the Public Schools Capital Outlay Act and provides staff support for the Public School Capital Outlay Council. The SDE staff makes on-site visits to each qualifying school applying for critical capital outlay. According to the SDE, the department is able to absorb the cost of increased site visits.

LMK/prr