

**Public School Capital Outlay Oversight Task Force (PSCOOTF)
2017 Interim Report and 2018 PSCOOTF-Endorsed Legislation**

Three bills were endorsed by the PSCOOTF at its December 2017 meeting and were introduced in the 2018 session. Two of the bills were enacted.

Senate Bill 30, "CHANGE CAPITAL OUTLAY FUNDING FORMULA" (Chapter 66), as amended, co-sponsored by Senator Mimi Stewart and Representative Dennis J. Roch, changes the state-local match formula that is used to calculate the amounts contributed by the state and by school districts for standards-based public school capital outlay projects. The bill was developed in response to conclusions drawn through an independent assessment of the public school capital outlay funding formula and gradually changes the formula to increasingly reflect a school district's ability to pay for its infrastructure projects and specifically takes into account new factors, including facility space needs, facility replacement costs and population density. As introduced, the new formula state-local match ranged from zero to 100 percent. The bill was amended during the course of the session to ensure that all school districts get at least six percent state matching funds for qualified Public School Capital Outlay Council projects.

To ameliorate potential volatility in school-district-assessed property tax valuations from fluctuations related to oil and gas, the new state-local match utilizes a five-year average of a school district's land valuations in the formula. The transition from the existing formula to the new formula will be phased in over a five-year period (2020-2024).

House Bill 41, "CHARTER SCHOOL FACILITY OWNERSHIP" (died), co-sponsored by Representative James E. Smith and Senator Daniel A. Ivey-Soto, proposed to clarify ownership of charter school facilities under lease-purchase agreements. The bill passed the house of representatives but did not pass the senate prior to adjournment.

House Bill 48, "PRIOR YEAR DATA FOR SCHOOL DISTRIBUTIONS" (Chapter 38), sponsored by Representative Roch, requires that the Public Education Department use property valuation data from the previous year in calculating the amount of funding distributed to a school district whose taxpayers have approved a property tax for public school capital improvements through the program established by the Public School Capital Improvements Act. The change will reportedly improve the timeliness of those distributions to school districts.