



Public School Capital Outlay Oversight Task Force

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## Changes to Waiver Criteria and SB131 Extension

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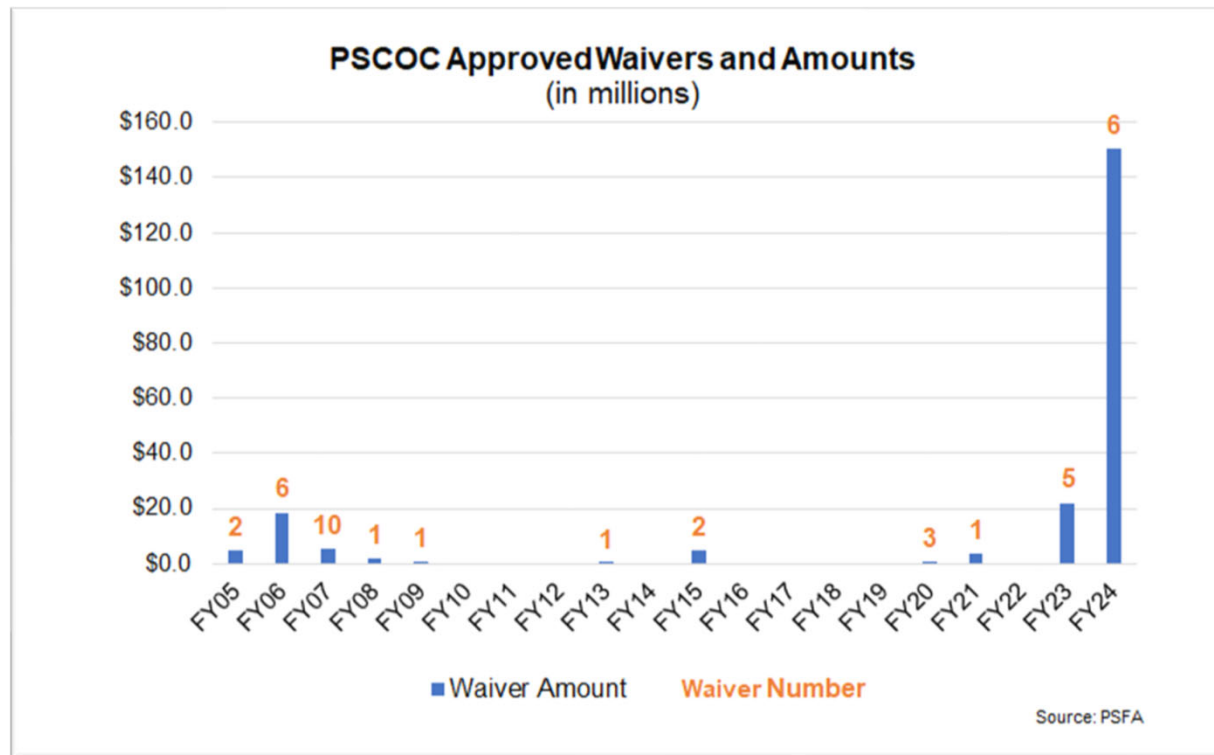
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## Problem Statements

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- **Affordability:** Dramatic increases in construction costs have made it more difficult for districts to afford their local share of capital projects, despite efforts to shift the cost burden to the state.
- **Waivers:** The Public School Capital Outlay Council is considering and granting an increasing number of waivers, or reductions of the local match – an indication the state-local match formula is not working as intended.

# Waiver Trends



# Options to Address State-Local Match Formula Deficiencies Reviewed by PSCOOTF

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- **Option 1:** Do nothing
- **Option 2:** Adjust select formula factors and continue to study others
- **Option 3:** Adjust waiver eligibility criteria, extend SB131, and direct LFC, LESC and PSFA staff to continue evaluation of potential formula changes

## Option Selected for Legislative Action

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- **Option 1:** Do nothing
- **Option 2:** Adjust select formula factors and continue to study others
- **Option 3:** Adjust waiver eligibility criteria, extend SB131, and direct LFC, LESC and PSFA staff to continue evaluation of potential formula changes

## Option 3: Clean up Waiver Criteria and Extend SB 131

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### Rationale:

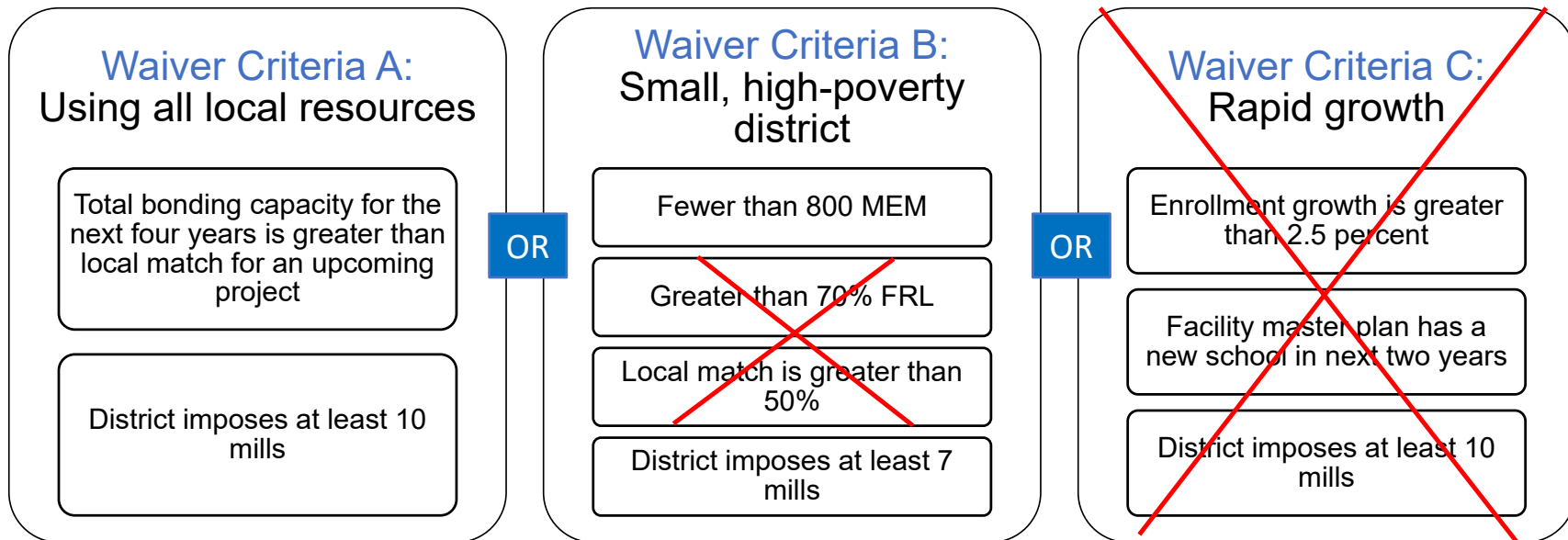
- The status-quo-but-better option.
- PSCOC has shown willingness to grant waivers after careful and thorough consideration of the district's finances and the cost and specifications of projects.
- Cleaning up waiver criteria allows districts that put in a good-faith effort to raise local funds for projects and have a demonstrable need for school improvements to move forward with projects on a case-by-case basis.
- Extending SB131 would provide continued relief for all districts while providing staff with additional time to develop solutions to the formula's deficiencies – including a potential overhaul of the state-local match formula.

### Downsides:

- Delays implementation of a real solution to the 2027 60-day session.

# Changes to Waiver Criteria

The draft bill for PSCOOTF endorsement makes the following changes to waiver criteria, intended to improve the tools PSCOC already has to address affordability challenges.



# SB 131 Extension in Draft Bill

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Across the board reductions would be extended for one year – **through fiscal year 2027.**

School Districts with 800 or more MEM

1/3 reduction of local match

School Districts with fewer than 800  
MEM

1/2 reduction of local match



# Q & A

## Legislative Finance Committee

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