

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Conference Committee on S.B. 23-220  
FROM Amanda Bickel, JBC Staff (303-866-4960)  
DATE April 21, 2023  
SUBJECT Description of Draft of First Conference Committee Report on S.B. 23-220

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The draft conference committee report for Senate Bill 23-220, dated 04/21/23, includes the following components:

- Reflects use of the reengrossed bill. This returns the bill to the form in which it was introduced by the Joint Budget Committee. *As introduced* the bill:
  - Allows \$4.7 million previously appropriated from the General Fund to the Public School Capital Construction Assistance Fund for air quality improvement grants for schools to be used for other Building Excellent Schools Today (BEST) projects.
  - Eliminates a transfer of \$30.0 million from the Marijuana Tax Cash Fund to the Public School Capital Construction Assistance Fund, which was scheduled to occur on June 1, 2023.
  - Reduces the Long Bill appropriation of \$160,000,000 million cash funds from the Public School Capital Construction Assistance Fund for BEST cash grants by \$25,294,780, leaving an appropriation for program cash grants of \$134,705,200.
  - The *revised* bill added a \$1.0 million transfer from the General Fund to the Public School Capital Construction Assistance Fund and a related \$1.0 million appropriation increase. This is not included in the reengrossed bill.

New provisions in the report are described below.

### **ONE-TIME FY 2023-24 INCREASE TO CHARTER SCHOOL CAPITAL CONSTRUCTION FUNDING**

- Adds a \$10,000,000 appropriation from the State Education Fund to the Charter School Capital Construction Account. This will increase the appropriation for State Aid to Charter School Facilities, which is distributed among charter schools on a per capita basis, from \$33,865,416 to \$43,865,416 for FY 2023-24 only.

### **INCREASED FUNDING FOR FY 2023-24 BEST CASH GRANTS (INCLUDING SUPPLEMENTAL GRANTS)**

- Adds the following amounts for BEST cash grants through one-time transfers to the Public School Capital Construction Assistance Fund:
  - \$15,000,000 from the State Education Fund; and

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- \$10,000,000 diverted from royalties earned on public school lands (managed by the State Land Board) that would otherwise be deposited in the Permanent Fund in FY 2022-23.
- Based on the above transfers to the Public School Capital Construction Assistance Account, modifies the total appropriation for BEST program cash grants so that the Long Bill amount is reduced by only \$294,780, leaving an appropriation of \$159,705,220 for the program for FY 2023-24.

#### **ONE-TIME BEST SUPPLEMENTAL GRANT PROVISIONS FOR FY 2023-24**

- Specifies that out of the total for BEST Cash Grants (\$160.0 million), the Capital Construction Assistance Board shall allocate \$49,705,220 for supplemental grants related solely to cost overruns in projects approved in prior years. Specifies that this amount shall first be used toward supplemental funding requests submitted in the regular grant BEST cycle. Amounts not used in the regular cycle will be available for a second FY 2023-24 grant cycle. Entities that were awarded grants for FY 2020-21 or FY 2021-22 that have not been able to complete their projects as planned due to inflation are eligible to apply for this supplemental grant cycle through June 15, 2023. The Capital Construction Assistance Board will determine the requirements of the supplemental grant process and will award supplemental grants by August 17, 2023. If any money remains after awarding supplemental grants, this money will be awarded to new BEST projects approved through the regular BEST grant cycle for which funding was not available.

#### **CHANGE TO LOCAL MATCH REQUIREMENTS FOR BEST PROJECTS, EFFECTIVE FOR THE FY 2024-25 GRANT CYCLE**

Changes provisions related to what the Public School Capital Construction Board considers when determining the amount of matching funding that must be provided by school districts and charter schools for BEST projects.

- For school districts and boards of cooperative educational services (BOCES), adds a factor related to the dollar amount of all school district mills, while striking factors related to a school district or BOCES' "bond redemption fund mill levy" and "unreserved fund balance".
- For charter schools, adds a new provision reducing the match rate required for some charter schools. For district charter schools that are paying only occupancy charges to their district, the charter school match rate (before adjustments) remains the same as the district in which it is located, consistent with current law. However, for other district charter schools, the charter school match will be 75.0 percent of the match of the district of residence. (Charter School Institute schools continue to have a match rate of 50 percent of the match of all school districts in the state, also consistent with current law.)

- Also for charter schools, simplifies and combines provisions related to the funding they receive from other sources that will be considered by the Capital Construction Assistance Board when determining match rates.