OFFICE OF FISCAL ANALYSIS

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sSB-288
AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE DEPARTMENT OF ADMINISTRATIVE SERVICES REGARDING THE SCHOOL BUILDING PROJECTS STATUTES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 $	FY 26 $
Treasurer, Debt Serv.	GF - See Below	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 25 $	FY 26 $
Various Municipalities	See Below	See Below	See Below

Explanation

Section 1 changes eligibility requirements and administrative steps associated with a five percentage point increase in state reimbursements for school construction projects in municipalities deemed to be inclusive. To the extent future school construction projects would otherwise be eligible for the increased reimbursement under the current system but ineligible under the terms outlined in the bill, this would reduce costs for the state and preclude potential revenue gain for municipalities.

Section 3 removes the ability of the Commissioner of Administrative Services to waive audit deficiency findings of school building projects if such a waiver is in the best interest of the state. To the extent a project would have received such a waiver of this nature, this would potentially result in decreased cost and/or revenue gain to the state, dependent

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upon whether the municipality was forgoing reimbursement or must repay the state for past reimbursements as a result of the audit findings. Likewise, this would increase cost or preclude revenue gain for municipalities.

The school construction project reimbursement program is funded through General Obligation (GO) bond funds. Changes to the school construction program may result in commensurate changes in General Fund debt service costs to the degree that it causes authorized GO bond funds to be expended at a different rate than they would otherwise be spent. As of March 1, 2024, the unallocated bond balance available under the relevant authorization is $421 million. The bill does not change GO bond authorizations relevant to the program.

The other sections of the bill are technical, make conforming changes, repeal obsolete programs, or otherwise do not have a fiscal impact to the state or municipalities.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.