

# SENATE BILL REPORT

## SB 5980

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As Passed Senate, March 6, 2009

**Title:** An act relating to school plant funding.

**Brief Description:** Renaming components of the formula for allotment of appropriations for school plant facilities.

**Sponsors:** Senators Oemig, Brandland and Fraser.

**Brief History:**

**Committee Activity:** Ways & Means: 2/18/09, 2/25/09 [DP].

Passed Senate: 3/06/09, 47-0.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hobbs, Honeyford, Keiser, Kline, McDermott, Murray, Oemig, Parlette, Pflug, Pridemore, Regala and Schoesler.

**Staff:** Elise Greef (786-7708)

**Background:** The School Construction Assistance Grant Program provides state funds to eligible school districts, via appropriation to the Office of Superintendent of Public Instruction (OSPI), to help with construction of school facilities. The amount of state funding is determined by a formula that includes the following factors: student enrollment; a fixed number of square-feet-per-student varying by grade-level; a fixed area cost allowance per-square-foot; and a percent contribution based on the relative property wealth of a district.

The Joint Legislative Task Force on School Construction Funding (Task Force) was created by the 2007 Legislature to review and evaluate school construction funding issues. In the 2008 session the Legislature directed OSPI to undertake a K-12 school construction funding formula study to analyze aspects of the state's grant program and to present options for formula and program improvements to the Task Force. In October 2008 OSPI and consultant Berk & Associates presented the "K-12 School Construction Funding Formula Transparency Study." Berk & Associates found a wide range of clarity of communications between school districts and citizens about state matching funds. They found that the

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funding formula is complex and suggested that providing information and materials that clearly communicate the state's funding formula and grant program would help increase understanding. The final report included a recommendation that the state take steps to increase formula transparency, including more accurately naming formula components. Finally, the report suggested specific items to be renamed.

**Summary of Bill:** The following elements of the state funding formula are renamed in affected statutes:

- "State matching funds" to "State funding assistance;"
- "State matching percentage" to "State funding assistance percentage;"
- "Percentage of state assistance" to "State funding assistance percentage;"
- "State assistance" to "State funding assistance;"
- (School district) "matching requirement" to (School district) "local requirement for state funding assistance;" and
- (School district) "matching funds" to (School district) "local funds."

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: In the School Construction Task Force, members had a very steep learning curve and staff provided numerous presentations to establish the subject matter ground work for Task Force members. One of the conclusions from this was that names of parts of the funding formulas are often confusing or misleading. This very small, no-cost change is actually substantial enough that it makes current law and programs more accessible to the public. The desired principle is to make the funding formula more transparent and honest. Working with school boards, citizens, and legislators, it's very difficult to explain the funding formula. The term "state match" connotes a 50/50 share but, statewide, an average of 35 percent of project costs are paid by state assistance; when including all projects, including small repair projects that are not eligible for state assistance, about 15 percent of costs are paid by the state. So this bill is the first step to communicating more clearly and transparently. This bill will help voters, legislators, educators, and others understand the program better. The cost benefit is pretty good; there is no cost, and there is a huge benefit.

**Persons Testifying:** PRO: Senator Oemig, prime sponsor; Pete Wall, Tacoma School District; Gordon Beck, OSPI; Dan Steele, Washington State School Directors' Association.