
Capital Budget Committee

HB 1505

Brief Description: Raising the minimum state funding assistance percentage for the school construction assistance program.

Sponsors: Representatives Pedersen, Carlyle, Warnick, Lytton, Pollet, Maxwell, Santos, Dunshee, Farrell, Sullivan, Hunter, Fitzgibbon, Cody, Kagi, Van De Wege, Tharinger, Bergquist, Hudgins, Tarleton, Goodman, Pettigrew, Springer, Ryu and Morrell.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Requires the Superintendent of Public Instruction to set the minimum funding assistance percentage at 30 percent for the School Construction Assistance Program.
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Hearing Date: 2/11/13

Staff: Susan Howson (786-7142).

Background:

School Construction Assistance Program

Washington provides financial assistance to school districts for the construction of new schools and modernization of existing facilities through the School Construction Assistance Program (SCAP) administered by the Office of Superintendent of Public Instruction (OSPI). Appropriations for the SCAP are provided in the state capital budget.

A school district must first secure local funding before it becomes eligible for state financial assistance. Local funds may include voter-approved capital levies and bonds, impact fees, mitigation payments, interest income from a school district's capital projects fund, or transfers from a school district's general fund with OSPI approval. Once the local share is secured, the state allocates funding to districts based on a set of space and cost standards adopted by the Legislature, and a statutory funding assistance percentage based on the relative wealth of the district.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

State Funding Assistance Percentage

The amount of state funding contribution to eligible project costs is determined by applying the funding assistance percentage. The intent of the formula is to equalize funding by providing a higher percentage of assistance to less wealthy school districts, as demonstrated by a district's ability to raise funds measured in terms of assessed value per student. The wealthiest districts receive a 20 percent funding assistance percentage, while less wealthy districts may receive an amount up to 100 percent.

A district's funding assistance percentage is calculated each calendar year. To calculate the state contribution, the OSPI uses the highest funding assistance percentage determined at the following three points during the development process, which may be over several years:

- At the time of securing local funding, normally through passage of school bond issue;
- At the time of OSPI project approval; or
- On the date of secured state funding status or authorization to open bids.

For school districts with higher assessed values per student, the formula may produce funding assistance percentages that are less than 20 percent or even negative. In this case, school districts receive a "floor" funding assistance percentage of 20 percent. Thus, all districts approved for state funding receive a funding assistance percentage allocation of at least 20 percent.

Summary of Bill:

The Superintendent of Public Instruction must set the minimum funding assistance percentage at 30 percent.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.