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**Capital Budget Committee**

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**SB 5980**

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

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

**Brief Summary of Bill**

- Renames components of the School Construction Assistance Grant Program funding formula as follows: "matching funds" are now "funding assistance" (for the state contribution) and "local funds" (for the local contribution); "matching percentage" is now "funding assistance percentage;" "matching requirement" is now "local requirement;" and "state assistance" is clarified as "state funding assistance."

**Hearing Date:** 3/19/09

**Staff:** Annie Pennucci (786-7142)

**Background:**

The School Construction Assistance Grant Program (Grant Program) was established in 1947 to assist local school districts with their school plant facilities. The State Board of Education was the administrating agency for this Grant Program until 2006, when the Legislature placed this responsibility under the Office of the Superintendent of Public Instruction (OSPI). The Grant Program provides funding assistance for school district facility planning, construction, renovation, or modernization.

School districts are eligible for a Study and Survey grant every six years. The Study and Survey is an overall analysis of the school district's facilities, educational programs and plans, student population projections, capital finance and operating capabilities, and identification of needs for new construction, modernization, or replacement of facilities. A school district must complete a Study and Survey in order to be considered for state assistance through the Grant Program.

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*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.*

School districts must also pass a capital levy and be at or above facility capacity (based on state square footage allowance) to be eligible for the Grant Program.

Three factors determine the amount of state assistance a district may receive through the Grant Program, including: (1) the square footage of instructional space for which the state will provide matching funds (eligible area); (2) the cost per square foot the state will match (area cost allowance); and (3) the matching ratio, which provides a greater proportion of funding assistance to economically disadvantaged districts.

The 2007 Legislature established the Joint Legislative Task Force on School Construction Funding (Task Force) to comprehensively review and evaluate school construction funding issues, including eligibility requirements and current funding formulas, diverse district and geographic needs, and alternative funding mechanisms and revenue sources to support the Grant Program in the future. The Task Force issued its final report in December 2009. The final Task Force recommendations include renaming components of the Grant Program funding formula so that the terms are more accurate and the formula assumptions are more transparent and clearly conveyed. For example, the term "matching funds" could imply that the state matches local school construction funding dollar for dollar, however, the state provides funding assistance for only up to half of project costs and in most cases less than half.

**Summary of Bill:**

School Construction Assistance Grant Program Formula components are renamed as follows:

- "matching funds" are now "funding assistance" (for the state contribution) and "local funds" (for the local contribution);
- "matching percentage" is now the "funding assistance percentage;"
- "matching requirement" is now "local requirement;" and
- "state assistance" is clarified as "state funding assistance."

**Appropriation:** None.

**Fiscal Note:** Not requested.

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