

SENATE BILL REPORT

SB 6451

As Reported by Senate Committee On:
Early Learning & K-12 Education, February 6, 2014

Title: An act relating to the school construction assistance program.

Brief Description: Concerning the school construction assistance program.

Sponsors: Senators Pedersen, Frockt, Kohl-Welles, Chase, Litzow, Hasegawa, Nelson, McCoy, Hobbs and McAuliffe.

Brief History:

Committee Activity: Early Learning & K-12 Education: 1/31/14, 2/06/14 [DPS-WM].

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: That Substitute Senate Bill No. 6451 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Litzow, Chair; Dammeier, Vice Chair; McAuliffe, Ranking Member; Rolfes, Assistant Ranking Member; Billig, Brown, Cleveland, Fain, Hill, Mullet and Rivers.

Staff: Katherine Taylor (786-7434)

Background: The state's School Construction Assistance Program operates as a partnership between local school districts and the state to fund construction of new schools and modernize existing facilities. The state contributes some funding, as well as technical assistance, in facility planning, construction, and contracting. State funding assistance is provided for instructional space. Land purchases and auxiliary facilities, such as stadiums and district administrative space, must be funded entirely with local revenues. State funding assistance is determined using a funding formula based upon three main factors: eligible area, construction cost allocation, and the funding assistance percentage.

The eligible space for new construction is calculated by comparing the current district-wide capacity, in square feet, to the district's projected enrollment growth and future space needs.

The state applies a funding assistance percentage to equalize state funding assistance. The percentage accounts for differences across school districts in wealth and the ability to generate revenue through property taxes. The minimum percentage is 20 percent of

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recognized project costs, and can be as much as 100 percent of the recognized costs, depending on district wealth.

The construction cost allocation is a per square foot amount set by the state and used to determine the level of state funding assistance. The Office of Superintendent of Public Instruction (OSPI) submits requests to the Legislature for periodic increases in the allocation to keep pace with inflation.

State revenues to fund school construction projects come from multiple sources, including management of Common School Trust Lands, the general fund, and state-issued general obligation bonds. The composition of total state funding across these sources changes over time, depending on budget decisions made by the Governor and the Legislature.

Summary of Bill (Recommended Substitute): A joint legislative taskforce on public school construction funding is established to review issues related to funding for construction and renovation of public schools. The taskforce must review the following, including but not limited to:

- the statutory provisions governing the school construction assistance program funding formula;
- eligibility requirements and the funding assistance percentage for the state's school construction assistance program; and
- flexibility needed within the funding formula to address the particular needs of school districts experiencing rapid growth.

The taskforce has 11 voting members, including four members from the House of Representatives, four members from the Senate, and three members representing specific types of school districts.

The taskforce expires June 30, 2015, and an emergency clause is included.

EFFECT OF CHANGES MADE BY EARLY LEARNING & K-12 EDUCATION COMMITTEE (Recommended Substitute): Changes the bill so that a legislative taskforce on public school construction funding is established to review issues related to funding for construction and renovation of public schools. The taskforce will have 11 voting members. The taskforce expires June 30, 2015, and an emergency clause is included.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony on Original Bill: PRO: It is an antiquated formula. The formula considers hallways and gyms as part of instructional space. This has been an issue for many, many years. Seattle has grown by roughly 5000 students. By 2020, Seattle will grow by another 7000 students. This is tremendous growth. We need to renovate our

buildings. Some of the buildings are landmark protected. Some of the buildings are too old so it is better to tear them down and build new buildings. The current formula is geared toward small districts. The quadrant system would really help. The capital budget would be effected. We do not want to disadvantage any other school districts. We are in support of this bill. Our students need different space. We want to draw your attention to the space allocation change. The taxpayers are shouldering way too much of the costs. School bonds are failing.

OTHER: We recognize that buildings are aging and there are capacity issues. This does not go as far as we recommend. We are happy to work with Seattle.

Persons Testifying: PRO: Sandi Swarhout, Puget Sound School Coalition; Flip Herndon, Asst. Superintendent, Capital, Facilities, and Enrollment, Seattle Public Schools; Clifford Traisman, Seattle Public Schools.

OTHER: Gordon Beck, Ken Kanikeberg, OSPI.