

SENATE BILL REPORT

SJR 8204

As Reported by Senate Committee On:
Early Learning & K-12 Education, February 15, 2021

Brief Description: Amending the Constitution to allow 55 percent of voters voting to authorize school district bonds.

Sponsors: Senators Randall, Wellman, Conway, Dhingra, Keiser, Lovelett, Mullet, Nguyen, Pedersen, Robinson, Saldaña, Stanford and Wilson, C..

Brief History:

Committee Activity: Early Learning & K-12 Education: 2/08/21, 2/15/21 [DP-WM, DNP].

Brief Summary of Joint Resolution

- Proposes a constitutional amendment to allow school districts to issue general obligation bonds for capital purposes, levy taxes to make payments on those bonds, and exceed the constitutional debt limit with 55 percent voter approval.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Wellman, Chair; Nobles, Vice Chair, K-12; Wilson, C., Vice Chair, Early Learning; Mullet and Pedersen.

Minority Report: Do not pass.

Signed by Senators Hawkins, Ranking Member; Dozier, Hunt and McCune.

Staff: Alexandra Fairfortune (786-7416)

Background: General Obligation Bonds. The board of directors of a school district may borrow money and issue bonds for any capital purpose. The amount that may be borrowed

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is limited by the state constitution and state statutes.

School districts may exceed the constitutional debt limit for construction of 1.5 percent of the assessed value of property in the district, up to 5 percent indebtedness, with approval of at least 60 percent of the voters at an election where the total number of voters is at least 40 percent of the total at the last preceding general election. State statute imposes a lower threshold of 0.375 percent indebtedness, but allows districts to exceed this threshold to a total indebtedness of 2.5 percent with the approval of at least 60 percent of the voters voting.

Excess Levies. The state constitution limits regular property tax levies to a maximum of 1 percent of the property's value. Upon majority voter approval, school districts are authorized to collect excess levies above the 1 percent constitutional property tax limit for enrichment, transportation vehicles, and capital projects.

Bond Levies. School districts may also levy taxes above the 1 percent limit to make required payments of principal and interest on bonds issued for capital purposes if approved by at least 60 percent of the voters at an election where the total number of voters is at least 40 percent of the total at the last preceding general election.

Constitutional Amendment. A proposed amendment to the state constitution must be approved by two-thirds of the members elected to each house of the Legislature, and then approved by a majority of the voters in the next general election.

Summary of Joint Resolution: A proposed constitutional amendment is submitted to the voters at the next general election to allow school districts to issue general obligation bonds for capital purposes, levy taxes to make payments on those bonds, and exceed the constitutional debt limit with 55 percent voter approval.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: Testifiers were invited to provide testimony on both SB 5386 and SJR 8204 at the same time. As a result, the summary below reflects combined testimony on both the bill and joint resolution.

PRO: Districts have struggled to pass bonds for decades. Trying and failing to pass bonds is costly, and sends a message to students that their safe learning environment is not a priority. This is even more important now as we think about safe return to schools as we

want to make sure school buildings have good airflow and allow for distancing in hallways. There are some concerns as to whether a simple majority was the right solution, so 55 percent is a compromise in the middle to allow more districts to have a say. There is growing evidence the design of a school affects student success and right now educators in overcrowded classrooms can not use all methods known to be effective. Outdoor entrances are a safety concern. School buildings have structural and electrical issues, no wheelchair accessible bathrooms, lead, toxic mold, unreliable heating, asbestos, and overcrowding. In Battle Ground the last new buildings were opened in 2007 and now the population is 25 percent larger so they have had to split boundaries and reroute busses to get by. Disparities exist as a result of outdated and inequitable funding models that benefit wealthy communities. There is no greater inequity than those that affect students' physical safety. One school district has been trying to pass a bond for 50 years, and has come short of the necessary threshold by four votes. Re-running bond measures costs thousands of dollars, and every year districts wait to pass a bond the price goes up due to inflation. A simple majority is the preference, but 55 percent is a viable alternative.

CON: People pay plenty of taxes already and are being treated like human ATMs. This is a disturbing trend coming out of Olympia where if you do not like the rules you just change or ignore them. Instead the government should look at where it can be more efficient.

OTHER: True democracy would be a simple majority, and is the preference. Washington is one of only seven states that requires more. In 2020 alone, the bonds that failed over 50 percent would have put over a billion dollars into construction funds into the economy. The 60 percent threshold protects the poor, elderly, and working families. The back and forth with communities helps hold districts accountable and makes the projects reasonable in size, scope, and cost.

Persons Testifying: PRO: Tom Seigel, Bethel School District; Susan Enfield, Highline Public Schools/Superintendent; Curtis Guaglianone, Mt. Adams School District; Jim Kowalkowski, Davenport School District & Rural Ed. Center; Steve McCullough, Tonasket School District/EWQSC 04; Preston Dwoskin; Barbara Posthumus, School Alliance.

CON: Jeff Pack.

OTHER: Michelle Nims, Washington State PTA; Liv Finne, Washington Policy Center.

Persons Signed In To Testify But Not Testifying: No one.