

HOUSE BILL REPORT

HB 2184

As Reported by House Committee On: Capital Budget

Title: An act relating to adjustments to the school construction assistance formula.

Brief Description: Making adjustments to the school construction assistance formula.

Sponsors: Representatives Dunshee, Warnick and Santos.

Brief History:

Committee Activity:

Capital Budget: 1/12/12, 1/19/12 [DP].

Brief Summary of Bill

- Excludes Alternative Learning Experience (ALE) students residing outside of a school district from the School Construction Assistance Program (SCAP) formula for determining state funding assistance.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 6 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Jinkins, Lytton, Tharinger and Wylie.

Minority Report: Do not pass. Signed by 5 members: Representatives Warnick, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Asay, Pearson and Smith.

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.

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.

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 the 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 OSPI and a statutory funding assistance percentage based on the relative wealth of the district.

As part of the SCAP, an annual enrollment projection report is calculated for all 295 school districts to assist in determining eligibility and state funding assistance percentages for school construction assistance. Students enrolled in Alternative Learning Experience (ALE) programs are included in the enrollment projections.

Alternative Learning Experience Program Enrollments.

The ALE programs are public school alternative options that are primarily characterized by learning activities that occur away from the regular public school classroom setting, including those learning experiences provided digitally via the Internet or other electronic means. Other away-from-classroom settings include programs with flexible hours, such as contract-based learning, or those set at home through parent partnership programs.

2011-13 Capital Budget Proviso and the OSPI Report.

Proviso language in the 2011-13 Capital Budget (Engrossed Substitute House Bill 2020, section 5006) directed the OSPI to review the impact of students enrolled in ALE programs on the calculation of student enrollment projections for determining school district eligibility for SCAP funds and report its findings and recommendations to the Legislature no later than December 31, 2011.

In its December 2011 report to the Legislature, the OSPI found that including students enrolled in ALE programs in the calculation of student enrollment projections does have a significant impact on the state funding assistance awarded to school districts with school construction projects. The OSPI recommended including in-district ALE enrollments when determining eligibility for state assistance through the SCAP. The OSPI further recommended excluding out-of-district ALE enrollments from the calculation.

Summary of Bill:

The ALE students who reside outside of a school district are excluded from the school construction funding formula for determining state assistance. Kindergarten students included in enrollment counts must be counted as full-time headcount students.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) None.

(In support with concerns) We support counting kindergarten students as full time. This is in line with current practice and does not impact square footage. Based on the analysis in our report, we agree that the ALE correction is needed. However, the bill contains an emergency clause which will cause three school districts already in the D-Form process to lose expected funding. We recommend that they be reimbursed through a budget proviso for costs already incurred, especially costs related to design. While this correction is long overdue and well-intended, we are concerned that it is being applied to a project developed over the past two and a half years under rules in place. Passing a \$17 million bond in February 2010 was a huge deal for our small district. Although we were aware that ALE calculations were being reviewed, until January 4, 2012, we were never called to ask what impact the change in this bill would have on our project. We recommend that the effective date be moved to 2013 or projects at certain points of the D-Form process be grandfathered in.

(Opposed) A more refined approach is needed because districts use the ALE law in different ways. For example, the ALE statute includes alternative schools, and in some districts, alternative high school students spend 100 percent of their time in a traditional setting.

Persons Testifying: (In support with concerns) Gordon Beck and Christine Thomas, Office of Superintendent of Public Instruction; and Dr. Timothy Yeomans, Meridian School District.

(Opposed) John Bosche, Meridian School District Board; Mitch Denning, Alliance of Education Association; and Jennifer Priddy, Olympia School District.

Persons Signed In To Testify But Not Testifying: None.