

SENATE BILL REPORT

SB 5642

As of February 6, 2013

Title: An act relating to raising the minimum state funding assistance percentage for the school construction assistance program.

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

Sponsors: Senators Frockt, Murray, Nelson, Kohl-Welles, Hasegawa, Chase and Kline.

Brief History:

Committee Activity: Ways & Means:

SENATE COMMITTEE ON WAYS & MEANS

Staff: Elise Greef (786-7708)

Background: The state provides funding assistance to local school districts to construct and remodel school buildings. The primary program through which state funding is delivered is the School Construction Assistance Program (SCAP).

State funding contributions for construction costs are determined by a funding formula based on three main factors: eligible area, construction cost allocation, and a state funding assistance percentage.

The amount of eligible area is calculated by applying a set square foot per student allowance to the district's projected enrollment. The construction cost allocation is a dollar value per square foot of eligible space. The funding assistance percentage varies by district and is determined by applying a statutory formula that includes property value-per-student and enrollment growth. Districts with low property values per student, relative to the statewide average, and rapid enrollment growth have higher funding assistance percentages and garner proportionately more state assistance. Low property values translate to higher than average local property tax rates to pay debt service on school construction bonds. Therefore, a higher state funding assistance percentage for those districts helps mitigate, or equalize, the local tax.

Current statute allows the Superintendent of Public Instruction to set the minimum funding assistance percentage at 20 percent.

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.

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

Appropriation: None

Fiscal Note: Available.

Committee/Commission/Task Force Created: None.

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