

SENATE BILL REPORT

SB 6451

As of January 31, 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.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

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 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.

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.

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: School districts with student headcount enrollments of more than 45,000 are divided by geographic areas within the school district when calculating eligible space for state funding assistance. School districts must not have more than four geographic areas. OSPI must create implementation rules.

The state funding assistance percentage is changed from 20 to 30 percent.

The omnibus appropriations act must identify the state construction cost allowance for school districts. The minimum construction cost allowance must be calculated based on a three-year rolling average of actual new public K-12 school construction costs per square foot. The minimum state student space allocations must be provided as follows:

- 110 square feet for students in kindergarten through grade six;
- 124 square feet for students in grades seven through eight;
- 140 square feet for students in grades nine through twelve; and
- 147 square feet for students with disabilities in any grade.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on July 1, 2014.

Staff Summary of Public Testimony: 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.