

# FINAL BILL REPORT

## SHB 2985

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### C 159 L 16

Synopsis as Enacted

**Brief Description:** Excluding certain school facilities from the inventory of educational space for determining eligibility for state assistance for common school construction.

**Sponsors:** House Committee on Capital Budget (originally sponsored by Representatives Riccelli, Short, Ormsby, Parker, Holy, Manweller, McCaslin, Tharinger, Peterson, Stanford, Kretz, Magendanz and Moscoso).

**House Committee on Capital Budget**  
**Senate Committee on Ways & Means**

#### **Background:**

##### School Construction Assistance Program.

In the capital budget, the state provides financial assistance to school districts for constructing new school buildings and remodeling or replacing existing school buildings. The School Construction Assistance Program (SCAP), administered by the Office of Superintendent of Public Instruction (OSPI), is based on two principles: (1) state and local school districts share the responsibility for the provision of school facilities; and (2) there is an equalization of burden among school districts to provide school facilities regardless of the wealth of the districts. State funding assistance is provided for instructional space, while land purchases and auxiliary facilities, such as stadiums and district administrative space, must be funded entirely with local revenues. The state allocates funding to districts based on a set of educational space and construction cost standards and a funding assistance percentage based on the relative wealth of the district.

##### Inventory of Educational Space.

The OSPI maintains an educational space inventory of all school facilities for purposes of determining district eligibility for state funding assistance of school construction. State statute requires the OSPI to exclude from the inventory those spaces that have been constructed for educational and community activities from grants received from other public or private entities. The OSPI also adopts rules for removing instructional space from the inventory under certain circumstances such as school building demolitions or sales or long-term leases of school buildings. School facilities replaced by new construction in lieu of modernization are also removed from the inventory of educational space, may not be used for district instructional purposes, and will not be eligible for future state funding assistance.

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*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.*

Special School Housing Burden.

School districts may experience special school housing burdens resulting from such things as destruction of school buildings by fire, condemnation, or a sudden growth in school enrollments. These school districts may receive additional state funding assistance for the SCAP to address these school housing burdens if funding is provided for such a purpose.

Education Funding.

The state is required to fund all-day kindergarten and reduced class sizes in kindergarten through third grade by the 2017-18 school year. The OSPI is required to report biennially on the educational system's capacity to accommodate increased resources for all-day kindergarten and reduced class sizes. In these reports, statewide classroom need estimates, based on school district survey responses, have varied from between 825 classrooms to 5,700 classrooms.

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 is limited by the state Constitution and state statutes. The state Constitution sets a debt limit for school districts at 1.5 percent of the assessed value of property in the district, but permits districts to exceed this limit for construction to 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.

**Summary:**

School facilities replaced by new construction in lieu of modernizing those facilities are excluded from the inventory of educational space for determining eligibility for state assistance for new construction if: (1) the facilities are being used for purposes of supporting all-day kindergarten or reduced class sizes in kindergarten through third grade; or (2) the district is experiencing a special school housing burden due to enrollment growth and failed bond elections within the prior five years. The lack of district facilities must warrant such a use. These educational spaces must meet the safety standards for public school facilities. "School housing burden" is defined as current space that does not meet needed classroom capacity for enrollments as determined by the OSPI in consideration of available instructional space in neighboring school districts. The exclusion applies for state assistance for new construction awarded from July 1, 2016, through June 30, 2021.

**Votes on Final Passage:**

House	93	2	
Senate	49	0	(Senate amended)
House	95	3	(House concurred)

**Effective:** June 9, 2016