

SENATE BILL REPORT

2ESSB 6080

As Passed Senate, June 30, 2015

Title: An act relating to financing public school facilities necessary to support state-funded all-day kindergarten and class size reduction in kindergarten through third grade.

Brief Description: Financing public school facilities necessary to support state-funded all-day kindergarten and class size reduction in kindergarten through third grade.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Dammeier, Keiser, Honeyford, Conway and Pedersen).

Brief History:

Committee Activity: Ways & Means: 3/19/15, 4/08/15, 4/09/15 [DPS, w/oRec].

Passed Senate: 4/14/15, 42-7.

Third Special Session: Passed Senate: 6/30/15, 44-1.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6080 be substituted therefor, and the substitute bill do pass.

Signed by Senators Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Brown, Conway, Fraser, Hewitt, O'Ban, Parlette, Rolfes, Schoesler and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senators Hasegawa, Kohl-Welles and Padden.

Staff: Brian Sims (786-7431)

Background: The state Legislature enacted class-size reduction goals to reach one teacher to 17 students in kindergarten through third grade (K-3) by the 2017-18 school year. A potential barrier to reaching the intent of those class-size reduction objectives is a shortage of classrooms.

The school construction assistance program (SCAP), administered by the Office of Superintendent of Public Instruction (OSPI), provides school districts with financial assistance to expand and modernize school facilities. The amount of financial assistance is

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based on a formula that considers the amount of square feet needed for the number of students in elementary schools, middle schools, and high schools; multiplied by an assumed cost per square foot for construction; multiplied by a state fund matching rate. The SCAP match rate depends on the relative value of assessed property in the district per student. SCAP only funds permanent school buildings, not portables.

The state Constitution authorizes school districts to issue bonds for the purpose of constructing schools. Schools are owned, designed, constructed, and maintained by local school districts. Authorization of general obligation bonds require a 60 percent majority vote.

Summary of Second Engrossed Substitute Bill: K-3 Class Size Reduction Construction Grant Pilot Program. To help school districts expand the number of classrooms in support of the K–3 class-size reduction objective, the K-3 class size reduction construction grant pilot program is created. The pilot program will be administered by OSPI.

The K–3 class-size reduction grants are determined by a four-step process:

- A verified count of necessary added classrooms in a district must be completed by the Washington State University extension energy office;
- If the number of needed classrooms is 12 or more, it is assumed that the added classrooms are provided by constructing a new school. If fewer than 12 classrooms are needed, it is assumed that the additional classrooms are provided with modular or portable classroom additions;
- The state grant amount must be calculated. If a new school is required, the cost is calculated at \$615,083 per added classroom. If modular or portable classroom additions are required, the cost is estimated at \$210,000 per classroom. These amounts are in 2014 dollars and are inflated based on inflation rates assumed in the SCAP budget. The state match rate is the SCAP match rate plus 20 percent of the district's rate of free and reduced school lunch students; and
- The school district must be ready to proceed, and the Office of Financial Management (OFM) must confirm the grant calculations prepared by OSPI before K–3 class-size reduction grants can be awarded.

Prioritization criteria is provided if applications for additional classrooms exceed the funding available for the pilot program. OSPI must annually report to OFM and the appropriate legislative committees information about the grants, grantees, project statuses, and class size reductions due to the new classrooms. The pilot program expires July 1, 2017.

Development of K-3 Class Size Reduction Construction Grant Program. OSPI, in consultation with stakeholders, OFM, and the Legislature, will recommend an improved funding formula for calculating future K-3 class size reduction grants by December 1, 2015, a process for creating a single prioritized list for future K-3 class size reduction grants, and statutory and rule changes to ensure appropriate coordination between the K-3 class size reduction grants and the SCAP. These recommendations will be provided to OFM and the appropriate legislative committees.

Appropriation: None.

Fiscal Note: Available on original.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This bill does not provide enough funding to address the needed 33 new schools in Seattle. The current site capacity in the Seattle school district will not allow for portable classrooms. This bill is much improved and will provide 2000 classrooms statewide. It is appreciated that the life expectancy of portable classrooms was added to the consideration of future eligible space in the SCAP. Consideration should be made to not include classrooms less than 800 square feet that were not designed to be used as a classroom for 17 students and to not include bilingual classrooms in the school-wide count of classrooms.

OTHER: There is support for the needed capital space to align with the policy enhancements in the operating budget. Adding the poverty factor to the school district match percentage will help some school districts, but there is concern that school districts that cannot pass a bond will be shut out of the program. There is continued concern about the use of portables in this program.

Persons Testifying: PRO: Marie Sullivan, Pasco School District; Eden Mack, WA State PTA, Seattle Council PTSA; Mitch Denning, Alliance of Educational Assns.; Ken Kanikeberg, Office of Superintendent of Public Instruction.

OTHER: Dan Steele, WA Assn. of School Administrators.

Persons Signed in to Testify But Not Testifying: No one.