

SENATE BILL REPORT

SB 5386

As of February 8, 2021

Title: An act relating to school district elections.

Brief Description: Concerning school district elections.

Sponsors: Senators Randall, Wellman, Dhingra, Lovelett, Mullet, Nguyen, Robinson, Saldaña and Wilson, C..

Brief History:

Committee Activity: Early Learning & K-12 Education: 2/08/21.

Brief Summary of Bill

- Lowers the voter approval threshold from 60 percent to 55 percent of voters for school districts to issue general obligation bonds, levy taxes to make payments on those bonds, and exceed the statutory debt limit.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Staff: Alexandra Fairfortune (786-7416)

Background: 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.

School districts may exceed the constitutional debt limit for construction of 1.5 percent of the assessed value of property in the district, 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.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Excess Levies. The state constitution limits regular property tax levies to a maximum of 1 percent of the property's value. Upon majority voter approval, school districts are authorized to collect excess levies above the 1 percent constitutional property tax limit for enrichment, transportation vehicles, and capital projects.

Bond Levies. School districts may also levy taxes above the 1 percent limit to make required payments of principal and interest on bonds issued for capital purposes if approved by 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.

Constitutional Amendment. A proposed amendment to the state constitution must be approved by two-thirds of the members elected to each house of the Legislature, and then approved by a majority of the voters in the next general election.

Summary of Bill: If the voters at the next general election approve an amendment to the state constitution to change the voter approval requirement for school district bonds, levies, and indebtedness limits, school districts may:

- issue general obligation bonds for capital purposes;
- levy taxes to make payments on those bonds; and
- exceed the statutory debt limit with approval by 55 percent of voters voting on the proposition.

If the constitutional amendment is not approved and ratified at the next general election the bill is void in its entirety.

Appropriation: None.

Fiscal Note: Requested on February 3, 2021.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed. However, the act is null and void if the state constitutional amendment proposed by SJR 8204 is not approved by voters and ratified at the next general election.

Staff Summary of Public Testimony: Testifiers were invited to provide testimony on both SB 5386 and SJR 8204 at the same time. As a result, the summary below reflects combined testimony on both the bill and joint resolution.

PRO: Districts have struggled to pass bonds for decades. Trying and failing to pass bonds is costly, and sends a message to students that their safe learning environment is not a priority. This is even more important now as we think about safe return to schools as we want to make sure school buildings have good airflow and allow for distancing in hallways.

There are some concerns as to whether a simple majority was the right solution, so 55 percent is a compromise in the middle to allow more districts to have a say. There is growing evidence the design of a school affects student success and right now educators in overcrowded classrooms can not use all methods known to be effective. Outdoor entrances are a safety concern. School buildings have structural and electrical issues, no wheelchair accessible bathrooms, lead, toxic mold, unreliable heating, asbestos, and overcrowding. In Battle Ground the last new buildings were opened in 2007 and now the population is 25 percent larger so they have had to split boundaries and reroute busses to get by. Disparities exist as a result of outdated and inequitable funding models that benefit wealthy communities. There is no greater inequity than those that affect students' physical safety. One school district has been trying to pass a bond for 50 years, and has come short of the necessary threshold by four votes. Re-running bond measures costs thousands of dollars, and every year districts wait to pass a bond the price goes up due to inflation. A simple majority is the preference, but 55 percent is a viable alternative.

OTHER: True democracy would be a simple majority, and is the preference. Washington is one of only seven states that requires more. In 2020 alone, the bonds that failed over 50 percent would have put over a billion dollars into construction funds into the economy. The 60 percent threshold protects the poor, elderly, and working families. The back and forth with communities helps hold districts accountable and makes the projects reasonable in size, scope, and cost.

Persons Testifying: PRO: Mark Watrin, Washington State School Directors' Association; Ronda Litzenberger, Washington State School Directors' Association; Jim Kowalkowski, Davenport School District & Rural Ed. Center; Tyler Muench, Office of Superintendent of Public Instruction.

OTHER: Liv Finne, Washington Policy Center; Lucinda Young, Washington Education Association; Michelle Nims, Washington State PTA.

Persons Signed In To Testify But Not Testifying: No one.