



School Facilities

Background: School facilities are the backbone of the public school system in our state. The School Construction Assistance Program (SCAP) is the primary source by which school districts are able to fund school construction, however current funding formulas do not adequately reflect school district educational space needs, nor do they reflect real school construction costs. Improvements in the State's funding formulas for school construction continue to be needed to ensure funding for the Student Space Allocation at least meets national averages and the Construction Cost Allocation more closely reflects actual costs. Additionally, the Supreme Court has clarified that enhanced funding of all-day kindergarten and class size reduction is essential, but "the State must account for the actual costs to schools of providing these components of basic education," noting that the duty to amply fund education "must be borne by the State, not local districts." To meet this obligation and address school districts' growing needs, it is vital that districts receive an influx of capital funds for additional space to accommodate these programs.

WSSDA/WASA/WASBO positions are consistent in the need to secure additional facility space necessary to accommodate all-day kindergarten and K-3 class size reduction; enhance the state's investment in K-12 construction by updating the SCAP formulas and space allocation allowance; address school siting challenges; and to advance a constitutional amendment to the people authorizing school district bond issues to be approved with a simple majority vote.

2016 Session: In the last two years, the Legislature has provided additional resources, on top of the "base" Capital Budget, to fund additional classrooms for all-day kindergarten and smaller class sizes in grades K-3. Unfortunately, the \$234 million (\$200 million in 2015, plus \$34 million in 2016) provided was a drop in the bucket compared to the nearly \$2.0 billion expected cost to fund an additional 5,700 classrooms. The 2016 supplemental capital budget also created the School Construction Technical Work Group to review existing K-12 capital investments and studies and to make recommendations for legislative "next steps". The Work Group met over the interim and several bills have been introduced in 2017 that address some of their recommendations.

2017 Session: Over a dozen bills regarding K-12 capital facilities and financing have been introduced in the 2017 session. There is clear acknowledgment by legislators that there are issues that need to be addressed, and additional funding to be found. **SB 5702** proposes actions related to addressing current facilities expectations for K-3 class-sizes and full-day Kindergarten; updating the SCAP formula; and suggests improvements to state K-12 capital construction advisory committees. **SB 5453/HB 1923** address renovation or replacement needs in small rural school districts. These districts' property values are too low to allow them to improve their schools through the standard SCAP funding formula.

There are two bills that address school siting challenges that schools experience due to Urban Growth Areas. **Senate Bill 5651** has a hearing in the Senate Early Learning and K-12 Education Committee on Monday, February 13th; and HB 1017 received a hearing in the House Environment Committee and is scheduled to be voted on by the committee on February 16th. Either bill could be a vehicle to support the needed action for school siting.

In addition three bills have been proposed that initiate a constitutional amendment for approval of school bonds by a simple majority regarding simple majority in bond elections have been introduced HJR 4203/SJR 8202 and HJR 4204. Currently none of these constitutional amendments are scheduled for public hearings.

Key Messages: Legislators should be thanked for their efforts to support K-12 construction resources and programs. It is important that they persist in their progress by **1) fully funding SCAP given the increasing number of communities that have passed bonds for school construction; 2) fund the next installment of the K-3 class-size construction grant program; 3) enhance square footage and construction cost allocations; 4) support efforts to mitigate school district challenges with school siting; and 5) support a constitutional amendment to allow approval of school bonds by a simple majority.**

2017

WSSDA / WASA / WASBO

Legislative Conference and Day on the Hill

February 13, Olympia, WA



Hot Topics



Information for Legislators

Name: _____

School District: _____

Legislators contacted / summary of discussion: _____

Please provide us with your feedback:

- Share your notes and reflections from your Day on the Hill meetings.
- Return the form to a WSSDA / WASA staff member, email or mail your comments.

By taking the time to record notes from your meetings, you support the ongoing advocacy efforts of our organizations. Thank you.



2017 Legislative Conference & Day on the Hill: HOT TOPICS

Basic Education Funding Proposals

The 65th Washington State Legislature convened the 2017 Legislative Session with the clear directive and incentive to fully fund the state's program of basic education. It is indisputable that meeting this Paramount Duty is the focus of the session. While the Legislature is under a continuing cloud of the Supreme Court's Contempt of Court Order—accompanied by a \$100,000 per day sanction—issued for failing to submit an ordered funding plan to comply with the 2012 *McCleary* decision, lawmakers are striving to find comprehensive and far reaching solutions.

On October 6, 2016 the Court released a new Order. The Order clarified that the State has “until September 1, 2018, to fully implement its program of basic education.” They further clarified, however, the remaining details of the basic education program “must be in place by the final adjournment of the 2017 Legislative Session.” Those details must include “funding sources and the necessary appropriations for the 2017–19 biennium.” This means the 2017 session is the Legislature's last opportunity to solve the *McCleary* problem.

2016 Session: In an effort to comply with the Court's Orders, the 2016 Legislature adopted SB 6195, which established the Education Funding Task Force (EFTF) and charged them to present recommendations to the 2017 Legislature that would implement and fund the state's program of basic education.

Starting in April, the EFTF met monthly to learn together and review data collected and synthesized by an external consultant. While the EFTF did not meet its charge to come to consensus on one set of recommendations following eight months of meetings, members from each caucus presented their thoughts as to next steps with education funding. These have now been introduced as independent Education Funding proposals from the Senate Majority Coalition Caucus (**SB 5607**) and the House/Senate Democrats (**HB 1843/SB 5623**). House Republicans are expected to release their plan soon.

In fall 2016, six statewide education associations (led by WASA and WASBO, and including WSSDA) came together to offer themselves as resources to the Legislature in their task of meeting the state's constitutional “paramount duty” for providing and funding a program of basic education for every K-12 public school student in the state. The associations represent nearly 8,000 school district leaders from all of our state's 295 school districts. The essence of our recommendations to the Legislature are summarized in the ***To Do List for Education Funding*** and grounded in efforts over the past decade to make progress toward full funding of basic education. The ***To Do List*** provides insight to the important sequence of funding decisions necessary to support school districts and their students in the transition.

2017 Session: On February 1st, SB 5607 passed off the Senate floor and moved on to the House Appropriations Committee. Both SB 5607 and HB 1843 received public hearings on February 6th. House Bill 1843 passed out of Appropriations on February 9th and will likely make it to the House Floor for discussion by the full House of Representatives soon. Non-partisan Legislative Committee Staff have developed side-by-side comparisons of the two proposals and are working on updating spreadsheets with details on individual district impacts.

Key Messages: It is important to provide constructive feedback on the implications (both positive and challenging) regarding both proposals. Legislators are interested in solutions and will be looking to school leaders for support.

Levy Cliff

Background: During the so-called Great Recession, legislators knew they would be unable to provide the kind of budgetary support that school districts were asking for—and badly needed. Local levies and associated Local Effort Assistance (LEA or “levy equalization”), have played a vital role to fill the gap between state and federal funding and the actual costs of providing critical services to students. Part of the gap is due to state allocations that have been inadequate for most districts and to allocation formulas that may work for some districts, but underfund actual costs in others. To address this challenge, the Legislature decided the best way to financially assist school districts was to provide additional levy authority and allow collection of additional levy dollars from their own voters.

In 2010, legislation (SHB 2893) was adopted to increase school district levy lids by four percent, and state funding for LEA by two percent. Those increases, however, are temporary and are set to expire January 1, 2018. When the additional levy authority and LEA funding expires (along with “ghost” revenues that have artificially inflated levy bases), school districts are scheduled to collectively lose nearly a half billion dollars in local levy capacity and LEA funding.

It is important to note the sunset date included in SHB 2893 (2010) was not arbitrary given the passage of ESHB 2261 in 2009. That bill (and it subsequent partner, SHB 2776, adopted in 2010) outlined a commitment to fully fund basic education by 2018. Had the Legislature been on track to meet this funding deadline, the reduction of levy lids and LEA scheduled in 2018 imposed by SHB 2893 would have had little impact on most school districts. With the influx of funding from the state, most districts would have either not gone over the cliff or there would have been a more manageable, negligible cliff.

2016 Session: Last year WSSDA/WASA/WASBO strongly supported legislation to temporarily extend the sunset of the levy lid and LEA increases until the Legislature meets the full cost of basic education employee compensation and addresses levy reform. We argued, if local levy capacity and LEA funding is decreased without a corresponding increase in state funding, many school districts will be forced over the “levy cliff” and will have difficulty meeting financial obligations, forcing deep budget cuts and/or substantial employee layoffs. Bills were introduced (HB 2698/SB 6353) to delay implementation of the levy lid by one calendar year through 2019, however neither was adopted.

As a way to address the non-passage of a bill to delay levy lid implementation, the final 2017 supplemental operating budget included a deadline of April 1, 2017 as the date by which the aforementioned Education Funding Task Force (created via SB 6195) would introduce legislation to extend the current state levy policy “by at least one calendar year” and enact that legislation by April 30, 2017.

2017 Session: House Bill 1059 was introduced early in the 2017 session and was the first bill to pass out of the House of Representatives. The bill would delay the levy lid reductions one calendar year through 2019. HB 1059 received a hearing in Senate Ways & Means Committee on January 30th however it has not been voted on in that committee given that SB 5607, which did pass out of committee, included the delay. How quickly negotiations go on the two budget proposals will determine whether HB 1059 will progress. As April draws near, it will become more urgent to move it forward if there is not yet a funding plan decision.

Key Messages: As legislators work toward a comprehensive education funding solution, school districts are on the edge of the coming Levy Cliff. It is important to be clear that school administrators ARE, and HAVE BEEN preparing for the Levy Cliff; however this has been challenging without the originally intended increase in state funding needed for compensation. Most school districts are in the process of budget development, with many of them drafting two budgets—a best-case and a worst-case scenario. School administrators are reviewing staffing needs for the coming year, but do not have answers regarding levels of funding—and the annual non-renewal deadline is rapidly approaching. School districts need a Levy Cliff solution NOW and cannot wait until the Legislature's self-imposed deadline of April 30 to address the issue. By that time, most budget and staff decisions will already have been made given the timelines required by which school boards make these decisions.

(continued back page...)