

December 14, 2018

Dear Governor Inslee, Superintendent Reykdal, Secretary of the Senate, and Chief Clerk of the House of Representatives,

As the chair of the Joint Legislative Task Force on Improving State Funding for School Construction, I am pleased to notify you that the Task Force has completed its final report due by December 15, 2018. Enclosed, please find the final report, submitted pursuant to section 7009, chapter 298, Laws 2018 (partial veto).

This report reflects the work of the Task Force as a whole, but is not intended to be, and should not be interpreted as, an endorsement of each recommendation or other consideration in the report from each individual member of the Task Force.

I appreciated the opportunity to review issues regarding state school construction funding with the other Task Force members and the committed group of knowledgeable stakeholders who contributed to this effort.

Sincerely,



---

Representative Monica Stonier  
49th Legislative District

cc: Members of the Task Force:

Senator Jim Honeyford  
Senator Karen Keiser  
Representative Vicki Kraft  
Senator Jamie Pedersen  
Representative Marcus Riccelli  
Representative Mike Steele  
Senator Hans Zeiger  
Superintendent Paul Turner  
Associate Superintendent Flip Herndon

Members of the House Committees on Capital Budget and Education

Members of the Senate Committees on Ways & Means and Education & Early Learning

Maddy Thompson, Office of the Governor

Darrell Jennings, Office of Financial Management

Justin Rogers, Office of Superintendent of Public Instruction

JOINT LEGISLATIVE TASK FORCE ON IMPROVING STATE FUNDING FOR  
SCHOOL CONSTRUCTION  
FINAL REPORT

DECEMBER 14, 2018

MEMBERS

---

Representative Monica Stonier, Chair  
Senator Jim Honeyford  
Senator Karen Keiser  
Representative Vicki Kraft  
Senator Jamie Pedersen  
Representative Marcus Riccelli  
Representative Mike Steele  
Senator Hans Zeiger  
Superintendent Flip Herndon  
Superintendent Paul Turner

## Table of Contents

Executive Summary.....	4
Acknowledgements.....	5
Task Force Membership.....	6
Background .....	7
K-12 School Construction Overview .....	7
School Construction Assistance Program Funding .....	7
Major SCAP Funding Drivers .....	8
Calculating the Amount of State Assistance for School Construction .....	11
Studies & Surveys.....	12
Bond and Levy Elections .....	13
Maintenance and Operation Levies and Capital Levies .....	13
General Obligation Bonds .....	13
Bond Levies .....	14
Constitutional Amendment .....	14
State Recognized K-12 School Construction Standards.....	14
Educational Specifications .....	14
Capital Asset Model .....	15
Prototypical Designs vs Stock Plans .....	16
Measures of Relative Wealth of School Districts.....	16
Impact of School Policy Reforms on the K-12 Capital Budget .....	17
K-3 Class Size Reduction.....	17
STEM Classrooms and Labs.....	17
School Safety.....	17
Health and Nutrition .....	18
Early Learning and Other Community Uses for School Spaces.....	18
Previous Legislative Task Force Efforts and School Construction Studies .....	19
Committee Meetings & Site Tours.....	19
July 16, 2018 .....	19
Public Meeting in Olympia .....	19
September 27, 2018.....	20
Tour of Richland and Pasco School Districts .....	20
Public Meeting in Pasco .....	20
October 18, 2018 .....	21
Tour of Rochester School District and North Thurston High School.....	21

Public Meeting in Olympia .....	21
December 5, 2018.....	22
Public Meeting in Olympia .....	22
Recommendations .....	22
Proviso Requirements.....	22
Recommendation Development Methodology .....	23
Top Priorities.....	23
Other Considerations.....	24
No Priority.....	25
Task Force Expiration.....	25
Appendix A - Proviso Language.....	26
Appendix B - K-12 School Construction Reports.....	28
Appendix C - Decision Matrix.....	30

## Executive Summary

The 2018 Legislature created the Joint Legislative Task Force on Funding School Construction (Task Force) in the 2017-19 capital budget (Engrossed Substitute Senate Bill 6090). The Task Force was required to review improvements to state financial assistance for K-12 school construction, use of school spaces for multiple purposes, school design and construction approaches that support effective teaching and learning, and recent reports on school construction.

Between July and December 2018, the Task Force conducted site tours in four school districts across the state and convened four meetings to hear from school facilities and construction experts and stakeholders. Panelists included school superintendents, school capital projects and facilities directors, public agency representatives, and advocacy organizations. Information was provided by panelists on the School Construction Assistance Program; methods of establishing state standards in school construction; challenges faced by both large school districts and small, rural school districts; school health and safety issues as they relate to school construction; challenges around passing bond elections; and other school construction-related issues.

By December 15, 2018, the Task Force must recommend a state school construction financial assistance program that:

- supports the construction and preservation of schools; and
- balances the state and local share of school construction and preservation costs considering local school districts' financial capacity and the state's limited bond capacity and common school trust revenue.

The Task Force must also recommend in its report:

- a methodology to project needs for state financial assistance over a ten-year period;
- measures of relative wealth of a school district;
- education specifications recognized by the state;
- a capital asset model for K-12 school construction for:
  - new schools to accommodate enrollment growth;
  - major modernizations;
  - replacement and renewal of major building systems;
  - specialized facility improvements such as STEM and skill centers; and
- alternative means to fund and accommodate increased classroom capacity.

The Task Force adopted seven prioritized recommendations that are contained in this report. The Task Force also offered five other points of consideration.

The Task Force expires June 30, 2019.

## Acknowledgements

The Task Force would like to thank the various agencies and organizations for their contribution to the work of the Task Force.

Bethel School District  
Department of Health  
Edmonds School District  
Educational Service District 112  
Educational Service District 123  
North Thurston School District  
Office of Superintendent of Public Instruction  
Olympia School District  
Pasco School District  
Richland School District  
Rochester School District  
Walla Walla Public Schools  
Washington Association of Maintenance and Operation Administrators  
Washington Education Association  
Washington State PTA  
Washington State School Directors Association

## Task Force Membership

The Task Force is composed of ten members: Four members from the Senate representing the two largest caucuses, and serving on the committees on Early Learning & K-12 Education and Ways and Means; four members from the House representing the two largest caucuses and serving on the committees on Capital Budget and Education; one member representing small rural school districts, appointed by the Chair; and one member representing large school districts, appointed by the Chair.

Member or Designee	Committee or Representing
Representative Monica Stonier, Chair Representative Mike Steele	House Education
Senator Jamie Pedersen Senator Hans Zeiger	Senate Early Learning & K-12 Education
Representative Vicki Kraft Representative Marcus Riccelli	House Capital Budget
Senator Jim Honeyford Senator Karen Keiser	Senate Ways & Means
Superintendent Paul Turner, Grand Coulee Dam School District	Small, Rural School Districts
Superintendent Flip Herndon, Tukwila School District	Large, Urban School Districts

The House of Representatives Office of Program Research (OPR) and Senate Committee Services (SCS) provided staff support to the Task Force. For more information contact:

- Jasmin Adams, Committee Assistant, SCS, 360.786.7716
- Devin Gayton, Legislative Assistant, OPR, 360.786.7183
- Melissa Palmer, Staff Coordinator, OPR, 360.786.7388
- Richard Ramsey, Fiscal Coordinator, SCS, 360.786.7412
- Christine Thomas, Fiscal Analyst, OPR, 360.786.7142

## Background

### K-12 School Construction Overview

Washington provides financial assistance to school districts for the construction of new schools and modernization of existing facilities through the School Construction Assistance Program (SCAP) administered by the Office of Superintendent of Public Instruction (OSPI). The SCAP exists as a partnership between local school districts and the state and is based on two principles: (1) state and local school districts share responsibility for funding school construction projects; and (2) all school districts who are eligible to partner with the state through SCAP receive varying amounts of state assistance based on the relative wealth of the districts.

During the period of court supervision of K-12 operating budget funding under the *McCleary, et al* lawsuit, the state Supreme Court (Court) noted that the *McCleary, et al* ruling did not address school construction, nor did the court hold that the state's Article IX duty to amply fund K-12 schools also included a duty to fully fund school construction. The Court explained that the constitution establishes roles for both the state and for school districts in school construction finance.

Appropriations for SCAP are provided in the state capital budget. State funding assistance is provided for instructional space, while land purchases and auxiliary facilities, such as stadiums, district administrative space, and portables must be funded entirely with local revenues.

A school district must first secure local funding before it becomes eligible for state financial assistance. Local funds may include voter-approved capital levies and bonds, impact fees, mitigation payments, interest income from a school district's capital projects fund, or transfers from a school district's general fund with OSPI approval. Once the local share is secured, the state allocates funding to districts based on a set of space and cost standards adopted by the Legislature, and a statutory funding assistance percentage based on the relative wealth of the district as determined by assessed land value per student.

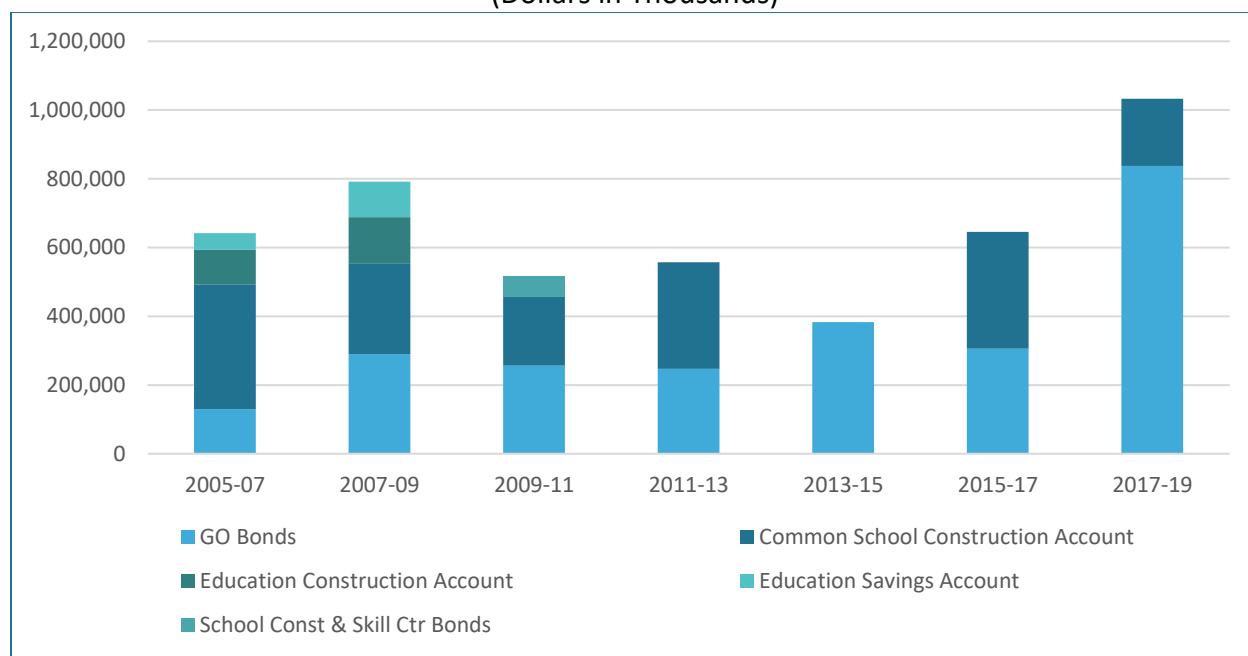
School districts receiving state assistance must expend the total amount of their local share for the project before receiving state funds for the construction project. Though the state contributes funds for school construction, local school districts control the design and construction of their schools. Ultimately, school districts receiving state funding assistance for school construction retain those facilities as their own assets.

### School Construction Assistance Program Funding

The SCAP appropriations have ranged from a low of \$382.6 million in the 2013-15 biennium, to a high of \$948.8 million in the 2017-19 biennium. The following chart shows total appropriations for SCAP since the 2005-07 capital budget. In the first two biennia, SCAP received funding from sources that are no longer available for school construction. Lottery revenues are now directed to the Opportunities Pathway Account in the operating budget for college scholarships and other education needs such as early learning and charter schools, rather than to education construction. Agency savings that formerly funded school construction have also been absorbed in the operating budget.



## School Construction Assistance Program Capital Budget Appropriations by Fund Source (Dollars in Thousands)



Source: Office of Program Research, October 2018

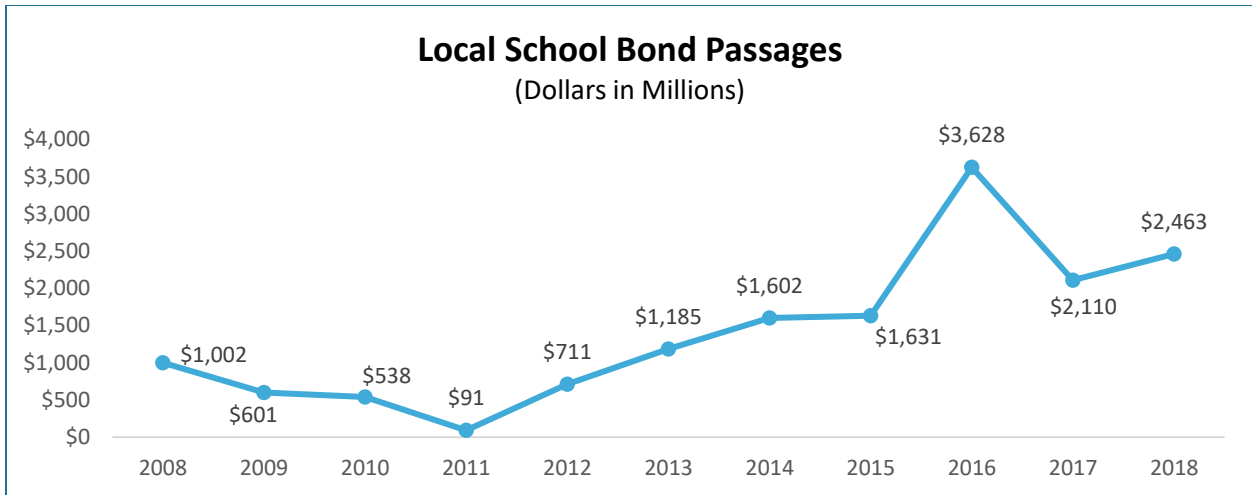
For the last several biennia, funding for SCAP has been provided by general obligation bond proceeds and the Common School Construction Account (CSCA), which receives most of its revenues from timber sales from Common School Trust lands managed by the Department of Natural Resources. Bond proceeds from the Trust Land Transfer program and some federal revenue are also included in the CSCA appropriation.

### Major SCAP Funding Drivers

Three major factors drive SCAP funding needs: (1) school bond election activity; (2) new construction to accommodate enrollment growth; and (3) modernization or replacement of aging schools.

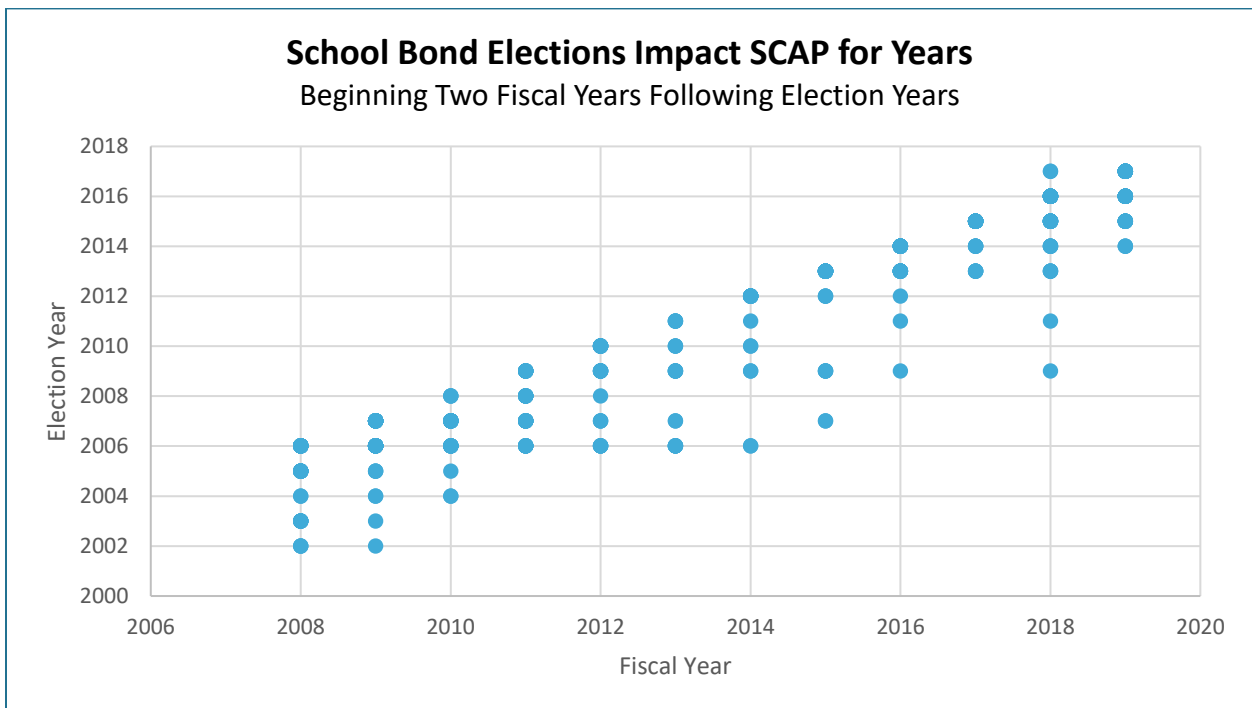
#### Bond Election Activity

Following the 2008 recession through 2011, local school bond election authority declined, hitting an all-time low of \$91 million in 2011. Since then, bond election authority has increased, peaking at \$3.6 billion in 2016. Bond elections have been passing at rates averaging about \$2.3 billion a year for the last five calendar years, including \$2.5 billion in 2018.



Source: OSPI School Financing Elections Data

About 60 percent of local school bond proceeds are used as local match to participate in SCAP. It takes two fiscal years following a calendar year election for local bond proceeds to first impact SCAP. For example, some of the projects developed from bonds passed in calendar year 2016 first received state assistance in fiscal year 2018. One calendar years' worth of bond elections can be used as the local match for several fiscal years following the bond election. The chart below shows that bond proceeds from the 2014 bond election calendar year were used as local match for projects that received state assistance in fiscal years 2016 through 2019 and maybe future fiscal years. Conversely, projects that received state assistance grants awarded in fiscal year 2019 had projects on the list whose local match was provided by bond elections held in calendar years 2014 through 2017.



Source: Office of Program Research and OSPI School Financing Elections Data

### Enrollment Growth

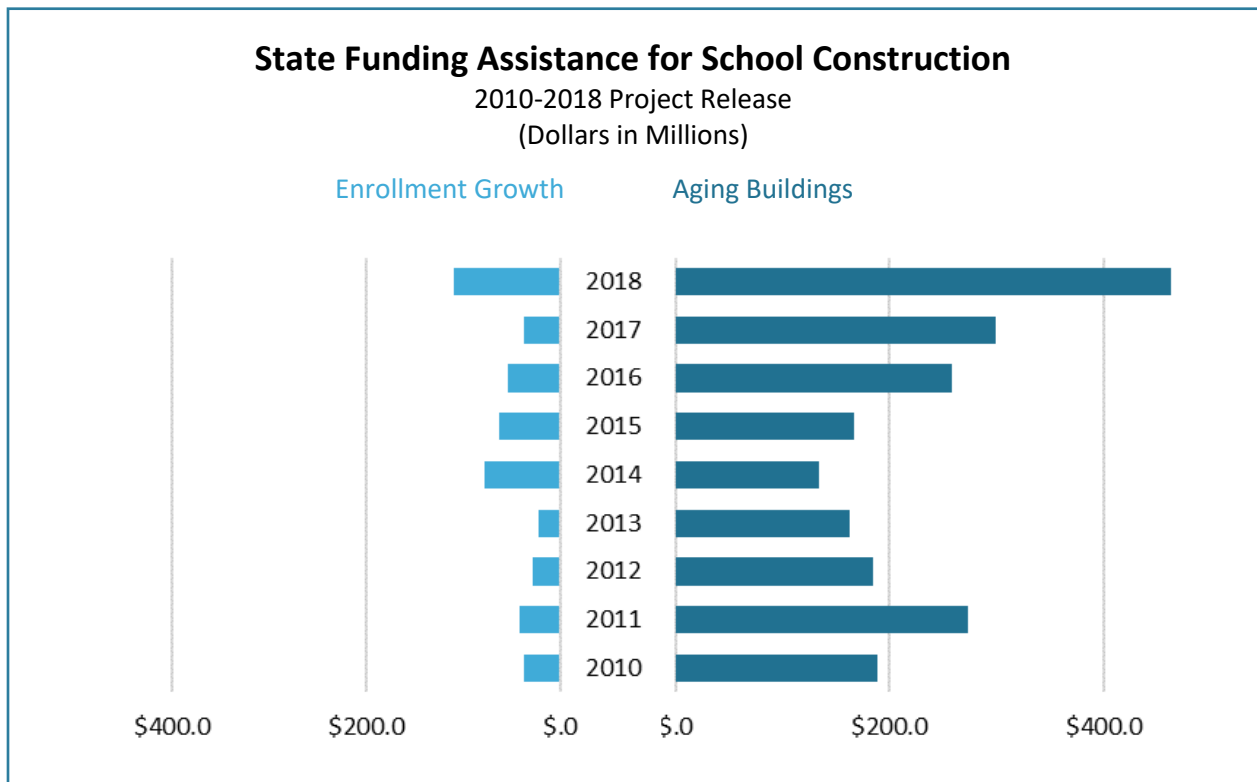
School districts experiencing population growth may be eligible for SCAP funding to accommodate "unhoused students" in their district. Unhoused students are calculated based on space standards set in the Student Space Allocation (SSA). School districts experiencing rapid enrollment growth may also receive additional state funding assistance with "growth points" added to the state Funding Assistance Percentage (FAP), also known as the "state match." More background information on SSA and FAP will be provided later in this report. See the section below titled "Calculating the Amount of State Assistance for School Construction" for more information on the SCAP funding formula.

### Aging Schools

School districts may be eligible for SCAP grants to modernize or replace aging schools in their districts under certain circumstances. Schools built prior to 1993 must not have been built or modernized within the prior 20 years to be eligible. Schools built after 1993 must not have been built or modernized within the last 30 years. Modernization projects must also be major renovations, meaning that the costs must exceed 40 percent of the replacement costs of the school.

School districts may be eligible to replace existing buildings rather than modernize existing schools. A new construction project in lieu of modernization project, or "new-in-lieu," is subject to the same criteria as a modernization project, and the project must be more cost effective to construct a new school rather than modernizing an existing school.

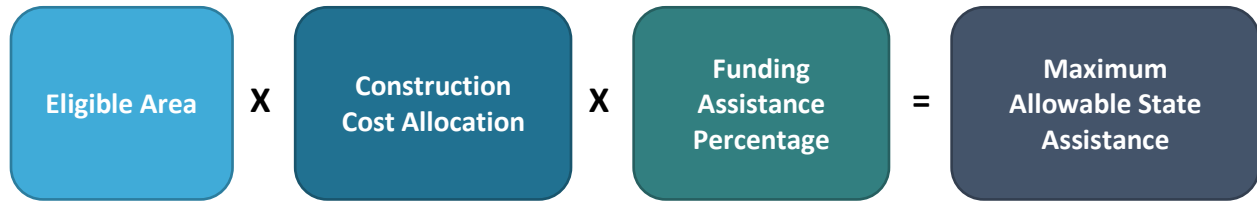
The following chart shows that since 2010, the state provides an average of about four and a half times the amount of SCAP funding to modernize or replace aging schools than for new construction to accommodate enrollment growth.



Source: Office of Program Research

## Calculating the Amount of State Assistance for School Construction

State assistance helps finance certain space and remodeling needs of local school districts. The amount of funding the state will approve for a proposed school construction project is determined by a funding formula that calculates three components:



### *Eligible Area*

Eligible area is determined by comparing the district-wide square foot capacity to the district's projected growth and future space needs. The OSPI projects enrollments using a linear methodology and takes the larger of five-year projected enrollments and three-year projected enrollments in determining future space needs.

Current capacity and future space needs are estimated using a per SSA. The SSA is set in Washington Administrative Code (WAC) and is based on assumptions made to appropriate SCAP funding in the biennial capital budget.

The following SSA are set in current WAC rule:

<u>Grade</u>	<u>Current rule</u>
K-6	90 sq ft/student
7-8	117 sq ft/student
9-12	130 sq ft/student
Special Education	144 sq ft/student

Square feet of portables are not included in the calculation for eligible area, so portables do not decrease the amount of state assistance available to school districts with portables. Modular buildings on permanent foundations are included in the recognized instructional space used for calculating eligible area so they may decrease the amount of state assistance available to school districts with permanent, modular structures.

### *Construction Cost Allocation*

The Construction Cost Allocation (CCA) is the maximum cost per square foot of construction that the state will match. The CCA is established biennially in developing the capital budget by applying an inflation factor to the previous fiscal year's CCA. After the eligible area is determined, CCA is applied to determine the maximum construction dollar amount eligible for state assistance for new construction and modernization. In the 2017-19 capital budget, CCA was set at \$219.58 per square foot for fiscal year 2018, and adjusted for construction inflation at \$225.98 per square foot for fiscal year 2019. The CCA is not the actual cost of construction per square foot paid by school districts per the K-12 Capital Facilities Cost Study prepared for the Legislature by Educational Service District (ESD) 112 in February 2017.

### *Funding Assistance Percentage*

The amount of state funding contribution to eligible project costs is determined by applying the FAP. A district's FAP is calculated each calendar year. The intent of the formula is to equalize funding by providing a higher percentage of assistance to less wealthy school districts, as determined by assessed land values per student. The wealthiest districts receive a 20 percent FAP, while less wealthy districts may receive an amount up to 100 percent. The average statewide FAP varies year to year, but generally the statewide FAP average is around 60 percent.

For school districts with higher assessed values per student, the formula may produce funding assistance percentages that are less than 20 percent or even negative. In this case, school districts receive a "floor" funding assistance percentage of 20 percent. Thus, all districts approved for state funding receive a FAP allocation of at least 20 percent.

School districts experiencing rapid enrollment growth may receive additional growth points up to 20 percent. However, the total FAP may not exceed 100 percent. Unlike SSA and CCA that are determined in developing the capital budget, FAP is set in statute.

The FAP typically does not equal the actual percentage of state assistance for total project costs, as FAP reflects the percentage of eligible costs only recognized by the state. Actual costs may include other ineligible costs such as:

- area in excess of SSA;
- site acquisition;
- sales or use taxes above 7 percent;
- off-site infrastructure costs related to construction;
- change orders; and
- other ineligible costs.

### *Maximum Allowable State Assistance*

The three components are identified and multiplied to calculate the maximum allowable state assistance for construction. As stated earlier in this report, the state provides funding assistance for instructional space only, but it does aid with other allowable related costs. These include architect and engineering fees, construction management, value engineering studies, furniture and equipment, energy conservation reports, state sales tax up to 7 percent, and inspection and testing. Those allowable costs are added to the funding formula results to determine the total SCAP grant award.

### *Studies & Surveys*

The state requires that school districts seeking state funding assistance must complete an advanced planning process to prepare for bond elections, facilities planning, and school construction projects. This process culminates in a Study and Survey (S&S) and the state provides S&S grants to assist school districts in their school facilities analysis.

School districts must prepare the necessary components to complete the S&S document that includes such activities as developing an educational plan; projecting enrollments for student housing needs; evaluating existing school district facilities for space and condition; evaluating the financial capabilities of the district to complete school construction projects; and estimating potential state funding assistance for school construction.

The OSPI's School Facilities and Organization Division (SF&O) provides technical assistance to school districts in preparing their S&S. School district capital facilities staff may prepare the S&S or school districts may hire consultants to complete the S&S. The inventory and area analysis data must be entered into the Inventory and Condition of Schools database maintained by SF&O.

The S&S of a school district must have been completed, submitted to, and approved by SF&O within six years prior to a school district receiving state funding assistance through SCAP.

### Bond and Levy Elections

Article VII, section 2 of the Washington State Constitution (Constitution) defines and sets limitations on tax levies of taxing districts, including school districts. Article VIII, section 6 of the Constitution sets limitations on municipal indebtedness, including the ability of a school district to borrow funds for capital purposes by issuing bonds.

### Maintenance and Operation Levies and Capital Levies

Under constitutional restrictions on property taxes, school districts may collect property tax revenues more than 1 percent of the assessed value of property in the district for the maintenance and operation (M&O) of common schools if approved by the voters in an M&O Levy election, or the construction, modernization, or remodeling of school facilities if approved by the voters in a Capital Levy election. In 2007, the voters approved a constitutional amendment allowing school districts to levy this additional tax by a simple majority of the voters voting at an election for that purpose, rather than a 60 percent approval.

### 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 Constitution sets a debt limit for school districts at 1.5 percent of the assessed value of property in the district, but the Constitution permits districts to exceed this limit for construction, 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.

According to land valuation data provided by OSPI, 63 school districts with average enrollments of 156 students and total enrollments of more than 9,800 students, can raise \$10 million or less in capital outlay at the 5 percent state Constitutional debt limit.

The National Center of Education Statistics identifies locations of school districts based on census data in four geographical areas: (1) urban, (2) suburban, (3) town, and (4) rural. The following tables provide statistics regarding school district attributes related to geographical location, bond elections, and bond authority since calendar year 2009.

**School District Election Data by Geographical Area\***  
2009-2018

Geographic Location	Number of Districts	2017 Total Student Enrollments	2017 Average Student Enrollments	Number of Elections	Number of Elections Passed	% of Number of Elections Passed within Area
Urban	27	394,853	14,624	44	24	54.5%
Suburban	53	458,594	8,653	78	40	51.3%
Town	60	143,866	2,398	82	41	50.0%
Rural	155	73,715	476	83	34	41.0%
<b>Totals</b>	<b>295</b>	<b>1,071,028</b>		<b>287</b>	<b>139</b>	

\*Includes data for bond elections held the first time within a calendar year. Does not include data for successful bond elections held after earlier failed bond election attempt(s).

Source: Office of Program Research

**School District Bond Authority Data by Geographical Area\***  
2009-2018

Geographic Location	Number of Districts	Percentage of 2017 Student Enrollments	2018 Total Potential Bond Authority at 5% Constitutional limit (millions)	2018 Average Potential Bond Authority at 5% Constitutional Limit (millions)	Election Bond Authority Passed (millions)	Percentage of Total Election Bond Authority Passed
Urban	27	36.8%	\$27,723.2	\$1,026.8	\$5,091.4	37.1%
Suburban	53	42.8%	\$24,248.5	\$457.5	\$6,235.7	45.4%
Town	60	13.4%	\$5,767.9	\$96.1	\$1,946.6	14.2%
Rural	155	6.9%	\$4,217.8	\$27.2	\$451.5	3.3%
<b>Totals</b>	<b>295</b>	<b>100%</b>	<b>\$61,957.3</b>		<b>\$13,725.2</b>	<b>100.0%</b>

\*Includes data for bond elections held the first time within a calendar year. Does not include data for successful bond elections held after earlier failed bond election attempt(s).

Source: Office of Program Research

### 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. The Constitution requires that bond levies be 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

To amend the Constitution, the amendment 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.

### State Recognized K-12 School Construction Standards

#### Educational Specifications

Prior to beginning the design phase of a school construction project approved to receive state funding assistance through SCAP, school districts are required to prepare educational specifications (Ed Specs)

for the approved project. Ed Specs describe the educational programs that the proposed school facilities and grounds will deliver, and the types of spaces needed for those program requirements.

The SF&O at the OSPI prepares a School Facilities Manual, as required by state statute. The manual serves as a guide for the planning, design, maintenance, and operation of school facilities. Though OSPI does not have direct oversight of these processes, OSPI provides support, guidance, and services to school districts with projects eligible to receive state funding assistance through SCAP.

Chapter 6 of the School Facilities Manual provides information for school districts in how to put together a team of experts, including facilities staff, architects, district staff, and others, including OSPI staff, to develop Ed Specs. It also describes characteristics of Ed Specs as well as a suggested outline for them. However, the state does not provide standardized Ed Specs available for use by all school districts.

The Federal Department of Defense does have standardized ed specs for elementary, middle, and high schools built at military bases around the world. Their Ed Specs go into great detail describing programs to be provided, and facilities elements and requirements needed for those programs.

### Capital Asset Model

Different terms have been used regarding space needs modeling tools that generally assess the facilities space needs for schools. The State Board of Community and Technical Colleges established a Capital Analysis Model to evaluate space needed by category such as general classrooms, science labs, physical education spaces, faculty offices, etc. on a square-feet per full-time-equivalent (FTE) factor. The House Capital Budget committee has referred to a "Capital Asset Model" (CAM) by which funding could be allocated.

The concept of a CAM is a tool that translates the program needs established in the Ed Specs document into a certain number of classrooms and spaces needed in a school facility to deliver those programs and the tool assigns square feet allocations per those spaces.

The following is a visualization of the tool:

K	K	K	Art	Library Admin Cafeteria Gym
1	1	1	Music	
2	2	2	Flex	
3	3	3	Flex	
4	4	4	Flex	
5	5	5	SpEd	
6	6	6	SpEd	

Source: Office of Program Research



### Prototypical Designs vs Stock Plans

According to a report to the Legislature issued by the State Board of Education (SBE) in 1994, prototypical school designs are developed for initial use at one location in a school district who will then reuse the design at a different site or sites by the same school district within its boundaries.

In that report, SBE cautioned that a prototypical school design was not the same as a stock school design which they defined as one standardized school design plan issued by the state to be used by all school districts in the state.

In 2014, the School Facilities Technical Advisory Committee (TAC) updated the 1994 report to the Legislature on the use of prototypical plans by local school districts. The TAC recommended that a "stock plan" catalogue not be established by the state. The reasons stated for not using statewide stock plans included: (1) challenges to conforming to multiple jurisdictional authorities building codes and ordinances; (2) inability of plans to change rapidly as innovations in building systems technologies develop; (3) challenges to adapt to unique attributes of site topography and soils conditions, local natural disaster risks, and snow loads; and (4) other local challenges.

The TAC did recognize that the use of prototypical designs (not stock plans) can be helpful at the individual school district level if a standardized design meets the needs required by that school district's Ed Specs and varying site and local conditions across the district.

### Measures of Relative Wealth of School Districts

The state matching ratio found in statute (or FAP) for SCAP is a calculation based on assessed land value per student in each school district. The FAP accounts for differences in wealth across the state to equalize state funding. The FAP can vary from a floor of 20 percent to no more than 100 percent of state recognized costs. Assessed land value per student is the only measure of relative wealth used to determine state funding assistance for school construction.

Other measures of relative wealth of school districts not used in the SCAP funding formula have been used in other K-12 programs in the operating budget to determine funding levels. Some of these measures include:

- Free and Reduced Price Meals enrollment percentages;
- median household income per school district;
- income per capita per school district;
- Gini coefficient;
- median residential home values; and
- regional cost of living.

Other regional factors that are specific to school construction include:

- regional costs of construction;
- debt service tax rate per school district; and
- ability of the school district to raise capital outlay at the Washington State constitutional cap of 5 percent debt limit of assessed land value.

## Impact of School Policy Reforms on the K-12 Capital Budget

Beginning in 2009 and culminating in major legislation enacted in 2017 (Engrossed House Bill 2242), the Legislature has enacted a variety of reforms to the state's operating K-12 funding formulas. Because these reforms include all-day kindergarten, K-3 class size reduction, and increased science credit requirements, they affect the need for classroom and lab space. Additionally, other policy reforms have been adopted that impact the need for school facilities and other major school capital investments. The Legislature has made several capital investments for classroom and lab spaces, school safety equipment, health and nutrition equipment, and other investments to support some of these school policy reforms.

### K-3 Class Size Reduction

In 2015, the Legislature enacted the K-3 Class Size Reduction Construction Grant program (Second Engrossed Substitute Senate Bill 6080) to be administered by OSPI. A total of \$234 million was appropriated for the program in the 2015-17 capital budget and 2016 supplemental capital budget.

The grants were awarded in June 2016 to school districts that qualified for needed additional K-3 classrooms to meet the state's reduced class size requirements. The Washington State University's Extension Energy Program Office validated or adjusted the classroom need of the school district applicants prior to the grants being awarded.

The grants were awarded to assist 21 school districts with adding more than 400 K-3 classrooms. Districts could use the funds to add K-3 classroom capacity by constructing new classrooms or modernizing existing classrooms in previously closed buildings. Funds could be used for permanent and modular buildings but could not be used to purchase portables.

### STEM Classrooms and Labs

By 2019, graduating seniors will be expected to complete three science credits, two of which are specified as "lab" credits. Since the 2015-17 biennium, the Legislature has provided more than \$32 million for individual STEM projects as well as competitive grants for science classrooms and labs.

The OSPI consulted with the STEM Education Innovation Alliance and the Statewide STEM Organization to develop grant materials and prioritization criteria. The grants were designed to support schools to not only meet the new graduation lab requirements, but also support the teaching of science and engineering in a manner consistent with the Next Generation Science Standards.

### School Safety

In 2013, the Legislature enacted Second Substitute Senate Bill 5197 that took measures to promote safe school buildings. School districts are required to adopt comprehensive safe school plans. At a minimum, the plans must address school safety policies and procedures; emergency preparedness and response; school mapping for emergency first responders; and communication with parents.

The OSPI has developed a model safe school plan that school districts are encouraged to consider when developing their own plans. A School Safety Advisory Committee and a School Safety Center within the OSPI provide updated information and serve as resources for school districts. In addition, all building principals are required to be trained in the Federal Emergency Management Agency Incident Command System, which is a standard set of principles and actions appropriate for responding to any type of hazard or emergency.

School districts are required to work with law enforcement to implement emergency response systems. They are also required to consider installing perimeter security control mechanisms on all school campuses and consider building plans with certain safety features in future school construction projects. The OSPI received \$10 million in the 2013-15 capital budget to award grants to school districts to help implement the emergency response systems.

### Health and Nutrition

In 2003, the Department of Health (DOH) and OSPI jointly published the second edition of the Health and Safety Guide for K-12 Schools in Washington. The guide was prepared in accordance with DOH's authority to adopt rules related to environmental conditions in public facilities including schools related to public health.

In September 2014, a strategic work group was created as part of the Healthiest Next Generation Initiative to focus on health, early learning, and K-12 environments. Members of the work group included participants from the Governor's Office, OSPI, DOH, the Department of Early Learning (DEL), and other stakeholders. The work group recommended state policies that support community-led changes to provide choices for encouraging children to be more active and eat better. Two of the long-term recommendations that were made include supporting school districts in providing minimally processed foods in school meals and supporting schools to increase fresh vegetable and fruit consumption.

In 2015, the Legislature appropriated \$5 million in the 2015-17 capital budget for the Healthy Kids-Healthy Schools grant program administered by OSPI. The grants could be used to purchase and install equipment and make repairs and renovations related to improving children's health. The grants were awarded in three categories: (1) water bottle filling stations; (2) nutrition equipment, such as kitchen improvements and equipment, and greenhouses; and (3) physical education and physical activity, such as fitness equipment and play sheds.

In the 2017-19 capital budget, the Legislature appropriated another \$3.25 million for the Healthy Kids-Healthy Schools grant program. The grants were again to be used for nutrition equipment and fitness equipment. Instead of funding for water bottle filling stations, the Legislature funded replacement of drinking water fixtures contaminated by lead.

### Early Learning and Other Community Uses for School Spaces

According to data from the Inventory and Condition of Schools (ICOS) database maintained by OSPI, many buildings in the school inventory that are recognized as instructional spaces eligible for SCAP funding are being used for purposes other than K-12 education. School districts reported that more than 360 learning spaces are used for early learning and pre-kindergarten (pre-K) activities. An additional 110 learning spaces are used for pre-K special education programs. Another 206 spaces are being used for community uses, which is not defined.

The Department of Children, Youth and Families (DCYF) implements state early learning policy and oversees various programs serving young children, including the Early Childhood Education and Assistance Program (ECEAP) and the Working Connections Child Care. Beginning in the 2022-23 school year, any eligible child will be entitled to enroll in ECEAP. The DCYF contracts with providers to deliver ECEAP services. About 56 percent of ECEAP slots are in public school settings. Pre-K special education

enrollments are included in the SCAP formula for determining eligible space. Other pre-K enrollments, such as ECEAP and Head Start, are not included in the SCAP formula.

In 2017, the Legislature enacted Engrossed Second Substitute House Bill 1777 that established the Early Learning Facilities (ELF) Grants and Loans Program. The Department of Commerce, in consultation with DEL and OSPI must develop a list of ranked and prioritized proposed ELF construction projects for the Legislature to consider by September of each even-numbered year. If funded in future capital budgets, eligible school districts may receive grants or loans in amounts up to \$800,000 to purchase, construct, or renovate early learning facilities.

### Previous Legislative Task Force Efforts and School Construction Studies

Several efforts have been made to review SCAP and explore other aspects of funding school construction. Work began for the Joint Legislative Task Force on School Construction Funding (2009 Task Force) in August 2007 with a final report to the Legislature submitted in December 2009. The 2009 Task Force was created in the 2007-09 capital budget to review school construction funding issues. The 2009 Task Force was directed to explore the following:

- changing the state funding assistance ratio used in SCAP;
- methods to accommodate specialized program space or unique building circumstances such as all-day kindergarten and science labs; and
- ways to account for regional cost differences in SCAP.

Several studies were funded and completed because of the recommendations made in the final report. Appendix B provides a list and links to those studies as well as a link to the final report of the 2009 Task Force.

### Committee Meetings & Site Tours

Between July 16 and December 5, 2018, the committee toured eight schools and early learning centers in four school districts and held four public meetings.

#### July 16, 2018

##### Public Meeting in Olympia

###### *Goals of the meeting*

- Convene initial meeting and make introductions.
- Review the Task Force proviso, select the chair, and establish procedures.
- Receive overviews of K-12 school construction.

###### *Presentations*

Legislative staff made the following presentations:

- Overview of K-12 School Construction;
- Overview of Previous Joint Task Force Efforts and Recommendations on K-12 Construction; and
- Overview of Other States' K-12 School Construction Programs.

### *Meeting summary*

Consistent with the budget proviso creating the Task Force, Representative Steve Tharinger, Chair of the House Capital Budget Committee, convened the meeting. The Task Force chose Representative Stonier as Chair.

The Task Force received public comment.

### September 27, 2018

#### Tour of Richland and Pasco School Districts

##### *Goals of the tour*

- Tour large school districts in rapid growth areas of Washington State that face challenges in participating in SCAP.
- Review and become more informed on design and building standards in K-12 school construction to consider when making recommendations for state-recognized standards.
- Review and become more informed on early learning facilities needs as they relate to K-12 school construction.

##### *The Task Force tour*

- Pasco School District:
  - Pasco High School (2018 Enrollment: 2,049);
  - Stevens Middle School (701);
  - The Early Learning Center (converted from an elementary school);
  - Ellen Ochoa Middle School (707);
  - Chiawana High School (2,399);
  - Marie Curie STEM Elementary School (837); and
  - McLoughlin Middle School (1,275).
- Richland School District:
  - Richland High School (1,816); and
  - Jefferson Elementary School (423).

#### Public Meeting in Pasco

##### *Goals of the meeting*

- Review and become more informed on design and building standards in K-12 school construction to consider when making recommendations for state-recognized standards.
- Review and become more informed on early learning facilities needs as they relate to K-12 school construction.

##### *Presentations*

- Legislative staff made a presentation on school construction standards for allocating state funds.
- Representatives of the Walla Walla, Richland, and Pasco school districts made presentations on school facility planning.
- Staff from OSPI made the following presentations:
  - State Recognized School Construction Standards;

- Early Learning Facility Grants; and
- K-3 Class Size Reduction Grants.

#### *Meeting summary*

The Task Force received public comment.

October 18, 2018

Tour of Rochester School District and North Thurston High School

#### *Goals of the tour*

- Tour small school districts in rural areas of Washington State that face challenges in participating in SCAP.
- Tour large school districts in urban areas of Washington State that face challenges in participating in SCAP.
- Review and become more informed on design and building standards in K-12 school construction to consider when making recommendations for state-recognized standards.
- Review and become more informed on design and building standards in K-12 school construction that promote health and safety.
- Review and become more informed on community uses of public school facilities.

#### *The Task Force tour*

- Rochester School District:
  - Rochester High School (2018 Enrollment: 568); and
  - Rochester Middle School (528).
- North Thurston School District: North Thurston High School (1,285).

#### Public Meeting in Olympia

##### *Goals of the meeting*

- Review and become more informed on design and building standards in K-12 school construction to consider when making recommendations for state-recognized standards.
- Review and become more informed on design and building standards in K-12 school construction that promote health and safety.
- Review and become more informed on community uses of public school facilities.
- Begin discussion on K-12 school construction recommendations.

##### *Presentations*

- Legislative staff made the following presentations:
  - State-Recognized Educational Specifications; and
  - Measures of Relative Wealth of School Districts.
- Staff from the Edmonds School District presented an Update on Stock School Designs.
- Staff from OSPI made presentations on the Superintendent of Public Instruction's budget proposals:
  - Capital Prototypical Model; and
  - School Preservation Program.

- Staff from DOH, OSPI, and the Construction Services Group at ESD 112 made the following presentations:
  - School Environmental Health and Safety Standards;
  - Healthy Kids - Healthy Schools; and
  - School Safety and Security for our Built Environment.

#### *Meeting summary*

The Task Force reviewed the requirements of the budget proviso creating the Task Force and discussed recommendations to be made in the final report.

The Task Force received public comment.

December 5, 2018

Public Meeting in Olympia

#### *Goals of the meeting*

- Review proposed recommendations related to K-12 school construction.
- Adopt recommendations for improving state funding for school construction.

#### *Meeting summary*

Legislative staff summarized the process among the Task Force members of suggesting and choosing recommendations. Staff summarized the background and estimated fiscal effects of the recommendations receiving the highest scores. The Task Force voted to adopt seven of those recommendations (see Recommendations).

Legislative staff summarized other recommendations suggested by the Task Force members. The Task Force chose to include five of those recommendations for consideration by the Legislature (see Recommendations).

The Task Force provided direction to staff to complete the final report of the Task Force for action by December 15, 2018.

The Task Force received public comment.

## Recommendations

### Proviso Requirements

Section 7026(3), Chapter 2, Laws of 2018 require that the Task Force must recommend a state school construction financial assistance program that:

- (a) supports the construction and preservation of schools; and
- (b) balances the state and local share of school construction and preservation costs considering local school districts' financial capacity, based on measures of relative wealth and the state's limited bond capacity and common school trust land revenue.

In making its recommendations for a state school construction financial assistance program as stated above, per Section 7026(4), Chapter 2, Laws of 2018, the Task Force must also recommend:

- (a) a methodology to project needs for state financial assistance over a ten-year period;

- (b) measures of relative wealth of a school district;
- (c) education specifications recognized by the state;
- (d) a capital asset model for K-12 school construction for:
  - (i) new schools to accommodate enrollment growth;
  - (ii) major modernizations;
  - (iii) replacement and renewal of major building systems;
  - (iv) specialized facility improvements such as STEM and skill centers; and
- (e) alternative means to fund and accommodate increased classroom capacity.

### Recommendation Development Methodology

In developing the recommendations, the Task Force took a multi-step approach. At the October 18, 2018 meeting, Task Force members offered recommendations to be considered by all the members to include in the final report. After more discussion, the Chair also invited the members to provide Staff with additional recommendations for consideration by the Task Force by a certain date. Staff was directed to compile the list of proposed recommendations and develop a survey for the Task Force members to prioritize the recommendations. The survey required members to first select recommendations to include in the report and then allocate points to prioritize the recommendations.

The scored recommendations were divided into three categories by the Chair:

1. Top Priorities: recommendations receiving the top five cumulative scores, including ties, per Task Force survey results;
2. Other Considerations: recommendations receiving some points per Task Force survey results, but not in the top five; and
3. No Priority: recommendations receiving no points per the Task Force survey results.

The Task Force survey recommendations were compiled per category in a matrix, which included background and references to the sections of the proviso that the proposed recommendations addressed. The Top Priority category also received estimated fiscal impacts if available. The matrix is attached in Appendix C.

At the December 5, 2018 public meeting, after much discussion of all three categories of recommendations, the Task Force adopted the Top Priority recommendations in the prioritized order. The members also adopted some of the recommendations under Other Considerations to be included in the final report. Two items from the No Priority category were adopted to be incorporated into a related recommendation in the Other Considerations category.

### Top Priorities

The Task Force makes the following recommendations in the following prioritized order.

The Legislature should:

1. address the needs of rural school districts that cannot qualify for SCAP;
2. adjust the student space allocation to be based on actual square footage per student in schools;



3. support reduced class sizes in kindergarten through third grades through school construction;
4. consider providing school construction credit for schools used for other community services like early learning and health services;
5. pursue allowing school districts to borrow money and issue bonds for school capital projects with approval of a simple majority of voters at bond elections;
6. increase the construction cost allowance to be based on the actual costs of school construction; and
7. increase the minimum state funding assistance percentage from 20 percent to 30 percent.

The Task Force members took a voice vote to include the prioritized top seven recommendation in the final report. Seven of the nine Task Force members voted in support of including the prioritized list. Two members did not support recommending a simple majority vote for bond elections. A consensus was reached on the other Top Priority recommendations. An offer was made that consensus might be achieved by altering the approval percentage from simple majority to "approval by 55 percent of the voters." After further discussion, the Chair decided to retain the recommendation as adopted by the majority of the members.

### Other Considerations

The Task Force also decided to include some of the recommendations outside of the Top Priorities as other issues to be considered by the Legislature. The Legislature should consider:

- creating a plan for future square footage formulas using the prototypical school model;
- finding a way to allow for consistent growth in population to allow for districts to plan school construction with more accurate student count, as well as changing state support to reflect difference in forecasts over a 10-year implementation period, while evaluating best practices for allocating funding for new construction;
- promoting and expanding health and safety in schools by:
  - increasing investments in imminent health and safety issues for the near term; such as lead-contaminated fixture replacements, unsafe building systems, insecure points of entry, etc.;
  - increasing investments in health and safety for the long term; such as perimeter security control systems or other physical safety systems, adequate kitchen and nutrition facilities, as well as facilities that encourage physical activity; and
  - encouraging school districts to:
    - continue working with law enforcement in developing emergency response systems per RCW 28A.320.126;
    - conduct health and safety assessments in pre-planning efforts of school construction projects;
    - incorporate school safety and health into planning and design, while allowing for local customization for the long term;

- restoring school mapping funding to update the database of school building maps and infrastructure;
- removing negative impact of modular buildings on school construction funding allocation; and
- removing policy disadvantages for school renovation, including preserving historic buildings.

Some of the Task Force members stated that a few of the proposed recommendations that received points fell under the general subject of health and safety in schools. A question was posed to staff asking: "If the points for those recommendations were added together, would the combined recommendations rise to the Top Priority level?" Staff affirmed that the combined score of the general category would have scored in the top five recommendations. The Chair acknowledged this but chose to adhere to the previously agreed upon process, and asked interested Task Force members to work with staff to combine the related recommendations into one issue to be considered. Following adjournment of the public meeting, staff worked with a subset of the Task Force members to combine the related recommendations included in this section under the general heading of "Promoting and Expanding Health and Safety in Schools."

The Task Force members also discussed that efforts should be made to further explore the impact of different measures of wealth on school construction, but a specific recommendation for consideration on that topic was not adopted.

### No Priority

The Task Force members didn't adopt or accept several proposed recommendations for various reasons, including that similar or related proposed recommendations may have been included in the Top Priority or Other Considerations categories, or they were simply not a priority of the Task Force members. The decisions for each proposed recommendation by category can be found in Appendix C.

### Task Force Expiration

Per Section 7009(9), Chapter 298, Laws of 2018, the Task Force expires on June 30, 2019.

## Appendix A - Proviso Language

Chapter 298, Laws of 2018 (partial veto), Section 7009.

2018 Supplemental Capital Budget

JOINT LEGISLATIVE TASK FORCE ON IMPROVING STATE FUNDING FOR SCHOOL CONSTRUCTION.

(1)(a) A joint legislative task force on improving state funding for school construction is established, with members as provided in this subsection.

(i) The president of the senate shall appoint one member from each of the two largest caucuses of the senate from the senate committees on ways and means and early learning and K-12 education.

(ii) The speaker of the house of representatives shall appoint one member from each of the two largest caucuses of the house of representatives from the house of representatives committees on capital budget and education.

(iii) The president of the senate and the speaker of the house of representatives jointly shall ensure that at least three of the eight members appointed pursuant to (a)(i) and (ii) of this subsection serve legislative districts located east of the crest of the Cascade mountains.

(iv) The chair of the task force selected pursuant to (b) of this subsection may appoint one additional member representing large school districts and one additional member representing small, rural school districts as voting members of the task force.

(b) The task force shall choose its chair from among its membership. The chair of the house of representatives committee on capital budget shall convene the initial meeting of the task force. All meetings of the task force must be scheduled and conducted in accordance with the requirements of both the senate and the house of representatives.

(2) The task force shall review the following issues:

(a) Improvements to state financial assistance for K-12 school construction to be implemented over several fiscal biennia;

(b) Utilization of school spaces for multiple purposes;

(c) School design and construction approaches that support effective teaching and learning by delivering education through innovative, sustainable, cost-effective, and enduring design and construction methods; and

(d) Recent reports on school construction, including but not limited to the school construction cost study from the ESD 112 and the efforts of collecting inventory and condition of schools data by the Washington State University Extension Energy Office.

(3) In consideration of the findings pursuant to subsection (2) of this section, the task force must recommend a state school construction financial assistance program that:

(a) Supports the construction and preservation of schools; and

(b) Balances the state and local share of school construction and preservation costs considering local school districts' financial capacity, based on measures of relative wealth recommended pursuant to subsection (4)(b) of this section, and the state's limited bond capacity and common school trust land revenue.

(4) In making recommendations pursuant to subsection (3) of this section, the task force must, at a minimum, also recommend:

(a) A methodology to project needs for state financial assistance for school construction and preservation over a ten-year period;

(b) Measures of relative wealth of a school district, including but not limited to assessed land value per student, eligible free and reduced price meal enrollments, income per capita per school district, and costs of construction;

(c) Education specifications recognized by the state for the purpose of providing guidance to school districts when designing school construction projects;

- (d) A capital asset model for K-12 school construction that considers space and usage needs to calculate construction assistance for:
- (i) New schools to accommodate enrollment growth;
  - (ii) Major modernization projects to address aging facilities;
  - (iii) Replacement and renewal of major building systems based on achieving lowest life-cycle building costs, provided that standards of routine maintenance are achieved by local districts; and
  - (iv) Specialized facility improvements including but not limited to STEM facilities, career and technical education facilities, skills centers, and computer labs; and
  - (e) Alternative means to fund and accommodate increased classroom capacity to meet K-3 class-size reduction objectives.
- (5)(a) Staff support for the task force must be provided by the senate committee services and the house of representatives office of program research.
- (b) The office of the superintendent of public instruction and the office of financial management shall cooperate with the task force and maintain liaison representatives, who are nonvoting members.
- (c) The task force, where appropriate, may consult with individuals from public schools or related organizations or ask the individuals to establish a committee for technical advice and assistance. Members of such an advisory committee are not entitled to expense reimbursement.
- (6) Legislative members of the task force are reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members are not entitled to be reimbursed for travel expenses if they are elected officials or are participating on behalf of an employer, governmental entity, or other organization. Any reimbursement for other nonlegislative members is subject to chapter 43.03 RCW.
- (7) The expenses of the task force must be paid jointly by the senate and the house of representatives. Task force expenditures and meetings are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees.
- (8) The task force must report its final findings and recommendations to the governor, the superintendent of public instruction, and the appropriate committees of the legislature by December 15, 2018.
- (9) This section expires June 30, 2019.

## Appendix B - K-12 School Construction Reports

Title	Year	Required by	Reported to	Organization	Prepared by
<a href="#">K-12 Capital Facilities Cost Study</a>	Feb-2017	Chapter 35, Laws of 2016, PV, Sec 5003(3) (ESHB 2380)	Legislature	OSPI	ESD 112, Core Study Team
<a href="#">STEM Pilot Program</a>	Jan-2017	Chapter 35, Laws of 2016, PV, Sec 5005(8) (ESHB 2380)	Legislature	OSPI	School Facilities & Organization, OSPI
<a href="#">UPDATE: K-3 Class-Size Reduction Construction Grant Program</a>	Jan-2017	RCW 28A.525.058 (ESSB 6080)	Legislature	OSPI	School Facilities & Organization, OSPI
<a href="#">K-3 Class-Size Reduction Construction Grant Program</a>	Dec-2016	RCW 28A.525.058 (ESSB 6080)	Legislature	OSPI	School Facilities & Organization, OSPI
<a href="#">High-Performance School Buildings 2016</a>	Jan-2016	RCW 39.35D.040	Legislature	OSPI	School Facilities & Organization, OSPI
<a href="#">Educational System Capacity to Accommodate Increased Resources</a>	Feb-2015	RCW 28A.300.172	Legislature	OSPI	School Facilities & Organization, OSPI
<a href="#">Educational System Capacity to Accommodate Increased Resources</a>	Dec-2014	RCW 28A.300.172	Legislature	OSPI	School Facilities & Organization, OSPI
<a href="#">Update of the 1994 Report to the Legislature on the Use of Prototypical Plans by Local School Districts</a>	Dec-2014	None	OSPI	OSPI	School Facilities & Organization, OSPI & Technical Advisory Committee
<a href="#">High-Performance School Buildings 2014</a>	Oct-2014	RCW 39.35D.040	Legislature	OSPI	School Facilities & Organization, OSPI
<a href="#">Educational System Capacity to Accommodate Increased Resources</a>	Feb-2013	RCW 28A.300.172	Legislature	OSPI	School Facilities & Organization, OSPI
<a href="#">High-Performance School Buildings 2012</a>	Oct-2012	RCW 39.35D.040	Legislature	OSPI	School Facilities & Organization, OSPI
<a href="#">Alternative Learning Experiences Enrollments: Impact on School Construction Assistance</a>	Dec-2011	Chapter 49, Laws of 2011, Sec 5006(2) (ESHB 2020)	Legislature	OSPI	School Facilities & Organization, OSPI
<a href="#">High Performance School Buildings 2011</a>	Feb-2011	RCW 39.35D.040	Legislature	OSPI	School Facilities & Organization, OSPI
<a href="#">Educational System Capacity to Accommodate Increased Resources</a>	Jan-2011	RCW 28A.300.172	Legislature	OSPI	K-12 Financial Resources, OSPI
<a href="#">Analysis of the Joint Use of Public School Facilities</a>	Jan-2010	Chapter 497, Laws of 2009, PV, Sec 5012(4) (ESHB 1216)	Legislature	OSPI	School Facilities & Organization, OSPI
<a href="#">School District Capital Construction Reimbursement Claim Process</a>	Jan-2010	Chapter 497, Laws of 2009, PV, Sec 5014 (ESHB 1216)	Legislature	OSPI	School Facilities & Organization, OSPI
<a href="#">Analysis of the School Construction Assistance Program Formula Allocations</a>	Jan-2010	Chapter 497, Laws of 2009, PV, Sec 5012(3) (ESHB 1216)	Legislature	OSPI	School Facilities & Organization, OSPI
<a href="#">K-12 Pilot Facility Inventory, Condition &amp; Use System</a>	Jan-2010		Legislature	JLARC	JLARC
<a href="#">Final Report and Recommendations</a>	Dec-2009	Chapter 497, Laws of 2009, PV, Sec 5017 (ESHB 1216)	Legislature	2009 Joint Legislative Task Force on School Construction	OPR, SCS Staff
<a href="#">K-12 School Construction Funding Formula Transparency Study</a>	Dec-2008	Chapter 328, Laws of 2008, Sec 5008 (ESHB 2765)	Legislature	OSPI	Berk & Associates
<a href="#">K-12 School Enrollment Projections Study</a>	Dec-2008	Chapter 328, Laws of 2008, Sec 5016 (ESHB 2765)	Legislature	OSPI	Berk & Associates

<a href="#">Potential School Sites State Trust Land Study</a>	Dec-2008	Chapter 328, Laws of 2008, Sec 5015 (ESHB 2765)	Legislature	DNR	The Work Group on Potential School Sites on State Trust Land
<a href="#">Service Delivery Alternatives</a>	Dec-2008	Chapter 328, Laws of 2008, Sec 5009 (ESHB 2765)	Legislature	OSPI	MGT of America, Inc.
<a href="#">Gap Analysis for Facilities Services</a>	Nov-2008	Chapter 328, Laws of 2008, Sec 5009 (ESHB 2765)	Legislature	OSPI	MGT of America, Inc.
<a href="#">All Day Kindergarten Report to the Legislature</a>	Sep-2007	RCW 28A.300.172	Legislature	OSPI	School Facilities, Citizens Advisory Panel
<a href="#">Study of School Deficiency Repair Grant and Facilities Maintenance Operations in Washington School Districts</a>	Feb-2007	None	OSPI	OSPI, WAMOA	Daniel Moberly, Project Consultant
<a href="#">Summary Report - First Summit on School Planning and Siting in Washington</a>	Feb-2007	None	OSPI	OSPI	Jones & Stokes
<a href="#">Use of Prototypical Plans by Local School Districts</a>	Dec-1994	Chapter 219, Laws of 1994, Sec 10 (ESHB 2237)	Legislature	SBE	School Facilities, OSPI

Joint Legislative Task Force on Improving State Funding for School Construction July 16

Joint Legislative Task Force on Improving State Funding for School Construction  
Recommendations for Consideration

Appendix C - Decision Matrix

**Top Priorities: recommendations receiving top five scores, including ties, per Task Force Survey results**

Item	Recommendation	Background	Estimated Fiscal Impact	Proviso References	Notes
A.	Address the needs of rural schools that cannot otherwise qualify for SCAP	<p>According to land valuation data provided by OSPI, 63 school districts, mostly small rural districts, can raise only \$10 million or less in capital outlay at the 5 percent state constitutional debt limit. Generally, rural districts run fewer bond elections and pass them at lower rates than school districts in urban and suburban areas, and towns.</p> <p>Since 2009, less than 4 percent of total bond authority was passed by voters in rural school districts.</p>	<p>Indeterminate depending on implementation.</p> <p>However, OSPI reported that 74 school districts applied for competitive Small, Rural Modernization grants in mid-November 2018. The applicants submitted more than 300 projects to be considered for the grants totaling more than \$120 million. The 2017-19 capital budget appropriated \$15 million for the grant program.</p>	<p>3(a) 3(b) 4(b) 4(d)</p>	Adopted by consensus
B.	Adjust square footage per student allocation to reflect what is getting built (130 sq. ft. for elementary)	The state assumes a square foot allocation per student for purposes of allocating state funding assistance in SCAP. School districts build schools at higher square footages per student than the state assumes.	<p>Indeterminate depending on implementation.</p> <p>However, in a fiscal note prepared in January 2018 for Senate Bill 6531, OSPI estimated that projected costs of increasing SSA phased over a four fiscal year period would cost an additional \$530 million for the 2019-21 and 2021-23 biennia.</p>	<p>3(a) 3(b) 4(c) 4(d)</p>	Adopted by consensus

Joint Legislative Task Force on Improving State Funding for School Construction  
Recommendations for Consideration

**Top Priorities: recommendations receiving top five scores, including ties, per Task Force Survey results**

Item	Recommendation	Background	Estimated Fiscal Impact	Proviso References	Notes
C.	Support K-3 class size	Beginning in 2009, the Legislature enacted a variety of reforms to the state's operating K-12 funding formulas including reduced class sizes in grades K-3. In 2015, the Legislature enacted the K-3 Class Size Reduction Construction Grant program (Second Engrossed Substitute Senate Bill 6080) to be administered by OSPI. A total of \$234 million was appropriated for the program in the 2015-17 capital budget and 2016 supplemental capital budget to add K-3 classroom capacity.	Indeterminate depending on implementation.  However, fully funding the prioritized list of grant applicants from the first round of the K-3 Class Size Reduction Construction Grant program would cost an additional \$164 million dollars for approximately 550 classrooms at 36 school districts.	3(a) 3(b) 4(e)	Adopted by consensus
D.	Consider credit for construction of schools used for other community services like early learning and health services	According to data from the ICOS database maintained by OSPI, many buildings in the school inventory that are recognized as instructional spaces eligible for SCAP funding are being used for purposes other than K-12 education.	Indeterminate depending on implementation..	3(a) 3(b) 4(d)	Adopted by consensus
E.	Pursue simple majority on school district bonds	The Constitution sets a debt limit for school districts at 1.5 percent of the assessed value of property in the district, but the Constitution permits districts to exceed this limit for construction, up to 5 percent indebtedness, with approval of at least 60 percent of the voters at an 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.	Indeterminate depending on implementation.  However, in a fiscal note prepared in February 2015 for House Bill 1941, OSPI estimated that projected costs of allowing simple majority on school district bonds over a four fiscal year period would cost an additional \$0.83 billion for the state and an additional \$2.77 billion for school districts for the 2017-19 and 2019-21 biennia.	3(a) 3(b)	Adopted by majority



Joint Legislative Task Force on Improving State Funding for School Construction  
Recommendations for Consideration

**Top Priorities: recommendations receiving top five scores, including ties, per Task Force Survey results**

Item	Recommendation	Background	Estimated Fiscal Impact	Proviso References	Notes
F.	Increase the construction allowance to reflect the actual construction costs	The CCA is the maximum cost per square foot of construction that the state will match. In the 2017-19 capital budget, CCA was set at \$219.58 per square foot for fiscal year 2018, and adjusted for construction inflation at \$225.98 per square foot for fiscal year 2019. The CCA is not the actual cost of construction per square foot paid by the school districts per the K-12 Capital Facilities Cost Study prepared for the Legislature by ESD 112 in February 2017.	Indeterminate depending on implementation.  However, in a fiscal note prepared in January 2018 for Senate Bill 6531, OSPI estimated that projected costs of increasing CCA phased over a four fiscal year period would cost an additional \$487.4 million for the 2019-21 and 2021-23 biennia.	3(a) 3(b) 4(c) 4(d)	Adopted by consensus
G.	Increase the state match floor from 20 percent to 30 percent	The amount of state funding contribution to eligible project costs is determined by applying FAP. Districts with high assessed land values per student receive a 20 percent FAP, while less wealthy districts may receive an amount up to 100 percent.	Indeterminate depending on implementation.  However, in a fiscal note prepared in January 2018 for SB 6531, OSPI estimated that projected costs of increasing the FAP floor phased over a four fiscal year period would cost an additional \$36.2 million for the 2019-21 and 2021-23 biennia.	3(a) 3(b) 4(c) 4(d)	Adopted by consensus

Joint Legislative Task Force on Improving State Funding for School Construction  
Recommendations for Consideration

**Other Considerations: recommendations receiving some points per Task Force Survey results**

Item	Recommendation	Background	Proviso References	Notes
A.	Adjust for more accurate cost of construction and permitting (See Blue Item F. for similar recommendation)	The CCA is the maximum cost per square foot of construction that the state will match. The CCA is not the actual cost of construction per square foot paid by the school districts per the K-12 Capital Facilities Cost Study prepared for the Legislature by ESD 112 in February 2017.	3(a) 3(b) 4(c) 4(d)	Not accepted
B.	Clearly define state and local responsibilities. State support is for education	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 Supreme Court explained in the <i>McCleary, et al</i> ruling that the state Constitution establishes roles for both the state and for school districts in school construction finance.	3(b)	Not accepted
C.	Create a plan for future square footage formulas using the prototypical school model	Different terms have been used regarding school facilities needs modeling tools that generally assess the square footage needs for schools based on projected enrollments, space usage, and other assumptions.	4(d)	Accepted by majority
D.	Explore early learning spaces and consider allowing pre-school students in ECEAP and Head Start to be counted for the eligible enrollments for the SCAP calculation of eligible area	Pre-K special education enrollments are included in the SCAP formula for determining eligible space. Other pre-K enrollments, such as ECEAP and Head Start are not included in the SCAP formula.  About 56 percent of ECEAP slots are in public school settings.	4(d)	Not accepted

Joint Legislative Task Force on Improving State Funding for School Construction  
Recommendations for Consideration

**Other Considerations: recommendations receiving some points per Task Force Survey results**

Item	Recommendation	Background	Proviso References	Notes
<b>E.</b>	Find a way to allow for consistent growth in population to allow for districts to plan school construction with more accurate student count	Eligible area is determined by comparing the district-wide square foot capacity to the district's projected enrollment growth and future space needs.	4(a)	Accepted by majority to be combined with A and C in No Priority category
<b>F.</b>	Incorporate other measures of relative wealth, such as the Free and Reduced Price Lunch populations, into the SCAP calculation of state funding assistance percentage	<p>The FAP (or state match ratio) for SCAP is a calculation based on assessed land value per student in each school district.</p> <p>Other measures of relative wealth of school districts not used in the SCAP funding formula have been used in other K-12 programs in the operating budget to determine funding levels.</p>	3(a) 3(b) 4(d)	Not accepted
<b>G.</b>	Promote and expand health and safety in schools (See Green Items G., H., I., and J. for recommendations related to Health and Safety)	<p>The DOH and OSPI jointly published the second edition of the Health and Safety Guide for K-12 schools in Washington in 2003.</p> <p>School districts are required to work with law enforcement to implement emergency response systems. They are also required to consider installing perimeter security control mechanisms and consider building plans with certain safety features in future school construction projects.</p>	4(c)	Accepted by majority to be combined with H, I and J

Joint Legislative Task Force on Improving State Funding for School Construction  
Recommendations for Consideration

**Other Considerations: recommendations receiving some points per Task Force Survey results**

Item	Recommendation	Background	Proviso References	Notes
H.	Incorporate state recommendations/best practices regarding school safety into planning and design, allowing for local customization (See Green Items G., H., I., and J. for recommendations related to Health and Safety)	School districts are required to work with law enforcement to implement emergency response systems. They are also required to consider installing perimeter security control mechanisms and consider building plans with certain safety features in future school construction projects.	4(c)	See Other Considerations Item G
I.	Increase investments in school safety (consider using the Connecticut model) (See Green Items G., H., I., and J. for recommendations related to Health and Safety)	School districts are required to work with law enforcement to implement emergency response systems. The OSPI received \$10 million in the 2013-15 capital budget to award grants to school districts to help implement the emergency response systems.	3(a) 3(b) 4(c) 4(d)	See Other Considerations Item G
J.	Provide funding for kitchen equipment and physical education (See Green Items G., H., I., and J. for recommendations related to Health and Safety)	Since 2015, the Legislature has provided funding for Healthy Kids-Healthy Schools grants in the following categories: (1) water bottle filling stations; (2) nutrition equipment and structures; (3) physical education and physical activity equipment and structures; and (4) replacing lead-contaminated water fixtures.	3(a) 3(b) 4(d)	See Other Considerations Item G
K.	Prioritize school districts expanding STEM education	The Legislature has enacted a variety of reforms to the state's operating K-12 funding formulas. Because these reforms include increased science credit requirements, they affect the need for classroom and lab space. By 2019, graduating seniors will be expected to complete three science credits, two of which are specified as "lab" credits.	4(d)	Not accepted

Joint Legislative Task Force on Improving State Funding for School Construction  
Recommendations for Consideration

**Other Considerations: recommendations receiving some points per Task Force Survey results**

Item	Recommendation	Background	Proviso References	Notes
L.	Remove policy disadvantages for school renovation, including preserving historic buildings	School districts may be eligible for SCAP grants to modernize or replace aging schools in their districts under certain circumstances.	3(a) 3(b)	Accepted by majority
M.	Remove the negative impact of modular buildings on school funding allocation	<p>The SCAP funds may not be used to purchase portables. Square feet of portables are not included in the calculation for eligible area, so portables do not decrease the amount of state assistance available to school districts with portables.</p> <p>Permanent, modular buildings may be funded with SCAP awards, but are included in the recognized instructional space used for calculating eligible area so they do decrease the amount of state assistance available to school districts with permanent, modular structures.</p>	3(a)	Accepted by majority
N.	Require that school designs must be built as flexible spaces to respond to program changes	Since 2009, the Legislature has enacted a variety of reforms to the state's operating K-12 funding formulas. Because these reforms include all-day kindergarten, K-3 class size reduction, and increased science credit requirements, they affect the need for classroom and lab space. Additionally, other policy reforms have been adopted that impact the need for school facilities and other major school capital investments.	4(c)	Not accepted

Joint Legislative Task Force on Improving State Funding for School Construction  
Recommendations for Consideration

**Other Considerations: recommendations receiving some points per Task Force Survey results**

Item	Recommendation	Background	Proviso References	Notes
O.	Support district control of school project design and innovation because communities are better equipped to know what they need	Chapter 6 of the School Facilities Manual provided by OSPI addresses Ed Specs and provides information for school districts in how to put together a team of experts including facilities staff, architects, and others to develop Ed Specs including OSPI staff. However, the state does not provide standardized Ed Specs or stock plans available for use by all school districts.	3(a) 3(b) 4(c)	Not accepted
P.	Restore the former transfer of state general funds, of \$102 million a year, to school construction indexed for student population projections and construction cost inflation	In past biennia, SCAP received funding from sources that are no longer available for school construction.	3(a)	Not accepted

Joint Legislative Task Force on Improving State Funding for School Construction  
Recommendations for Consideration

**No Priority: recommendations without any points per Task Force Survey results**

Item	Recommendation	Background	Proviso References	Notes
A.	Change state support to look at differences in forecasts and support implementation over a 10-year implementation period	Methodologies of projecting future SCAP needs have historically been made based on actual past square footage averages in SCAP releases. Other methodologies may prove to be more accurate.	4(a)	See Other Considerations Item E
B.	Discuss what a realistic goal for funding is and look at recommendations through an equity lens	Other measures of relative wealth of school districts not used in the SCAP funding formula have been used in other K-12 programs in the operating budget to determine funding levels.	3(b)	Not adopted or accepted
C.	Evaluate if there are best practices for funding allocation for new construction	Other states provide capital funding to school districts on a regular, scheduled basis.	3(a) 3(b) 4(d)	See Other Considerations Item E
D.	Expand construction contract management services through ESD 112 or other ESDs to ensure efficiencies and cost controls in construction projects	The ESD 112's Construction Services Group provides capital program, project, and construction management for K-12 school districts.	3(a) 3(b)	Not adopted or accepted
E.	Help schools with public health (See Green Items G., H., I., and J. for recommendations related to Health and Safety)	The DOH and OSPI jointly published the second edition of the Health and Safety Guide for K-12 schools in Washington in 2003.	4(c)	Not adopted or accepted

Joint Legislative Task Force on Improving State Funding for School Construction  
Recommendations for Consideration

**No Priority: recommendations without any points per Task Force Survey results**

Item	Recommendation	Background	Proviso References	Notes
F.	Provide sales tax relief on school construction projects	The CCA is the maximum cost per square foot of construction that the state will match. The state provides assistance for sales tax up to 7 percent, which is included in CCA.	3(b)	Not adopted or accepted
G.	Revise current language defining role of school facilities citizen advisory panel and the school facilities technical advisory committee to better shape future policies and practices in school construction and add teachers to these committees	The Citizen Advisory Panel (CAP) and TAC are established in statute to advise OSPI on school construction matters. The OSPI's SF&O division provides support for CAP and TAC. Teachers are not required members of these committees.	3(a)	Not adopted or accepted
H.	Set a 50 percent target of state General Obligation bond capacity to be used for school construction	In the 2017-19 biennium, the Legislature appropriated \$2.9 billion of state general obligation bonds (GO Bonds) for capital projects and grants. The \$806.3 million of GO Bonds was appropriated for K-12 School Construction including SCAP, Skill Centers, Emergency Repairs, Healthy Kids-Healthy Schools Grants, Small Rural District Grants, and others. Appropriations for all of K-12 School Construction in 2017-19 was \$1.08 billion.	3(a) 3(b)	Not adopted or accepted
I.	With the reduction in the M&O levy, encourage school districts to expand their levy capacity by running capital levies under current law	In 2019, local M&O tax levies will be limited to \$1.50 per \$1,000 of assessed land value. The new state public schools tax levy rate increases to \$2.70 per \$1,000 of assessed land value.	3(b)	Not adopted or accepted