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2009 JOINT LEGISLATIVE TASK FORCE  
ON SCHOOL CONSTRUCTION FUNDING

**FINAL REPORT  
AND  
RECOMMENDATIONS**

December 23, 2009

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# INTRODUCTION

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The Joint Legislative Task Force on School Construction Funding (Task Force) was created in the 2007-09 Capital Budget to review school construction funding issues.

Its initial charge was to evaluate statutes pertaining to the funding of school-construction projects, eligibility requirements and formulas for the state's School Construction Assistance Program, whether more flexibility is needed to address district and geographic needs, and potential revenue sources and alternative funding mechanisms.

The Task Force was extended for one year (2009) by proviso in the 2009-11 Capital Budget. The Task Force met during three interims — 2007, 2008, and 2009 — and received information from school districts, stakeholders, subject experts, agencies, consultants, and staff.

Recommendations and subsequent legislative action from the Task Force's 2007 and 2008 work are summarized in Appendix A.

## **2009 Task Force Proviso**

The 2009-11 Capital Budget (C 497, L 09, PV, Sec 5017 – ESHB 1216) directed the Task Force to explore the following:

- A. Changing the state funding assistance ratio used in the school construction assistance grant program formula;
- B. Methods to accommodate specialized program space or unique building circumstances (such as all-day kindergarten and science labs); and
- C. Ways to account for regional cost differences in the school construction assistance grant program formula.

The proviso directed the Task Force to report findings and recommendations to the appropriate committees of the Legislature by January 1, 2010.

## **2009 Task Force Organization and Operations**

Members of the 2009 Task Force:

- Senator Karen Fraser, Chair
- Senator Dale Brandland
- Representative Judy Warnick
- Representative Scott White

- Fred Stephens; Director, Seattle School District Facilities and Construction; School District Representative, Seattle
- Douglas Quinn; Member, Camas School District Board of Education; School District Representative, Vancouver

Legislative staff to the Task Force:

- Nona Snell, House Capital Budget Committee
- Elise Greef, Senate Ways and Means Committee
- Susan Howson, House Capital Budget Committee
- Steve Masse, House Capital Budget Committee
- Devon Nichols, Senate Ways and Means Committee

The Task Force met three times during 2009: September 30, October 27, and December 2.

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# EXECUTIVE SUMMARY

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As directed by proviso, the 2009 Joint Legislative Task Force on School Construction Funding (Task Force) heard and evaluated information from the Office of the Superintendent of Public Instruction (OSPI), school districts, executive and legislative agencies, subject experts, and legislative staff in three primary areas:

- A. Whether the state funding-assistance ratio used in the school-construction assistance program formula needs to be amended;
- B. Whether changes are warranted to accommodate specialized program space or unique building circumstances (such as all-day kindergarten and science labs); and
- C. Whether there are regional-cost differences in the School Construction Assistance Program formula and, if so, what policy or funding-formula changes might be needed.

In addition, the Task Force heard and discussed two state agency study reports:

- The Joint Legislative Audit and Review Committee (JLARC) pilot study of a facility-condition and inventory system for K-12 public school facilities; and
- The State Auditor's Performance Audit Report, *Opportunities for the State to Help School Districts Minimize the Costs and Interest Paid on Bond Debt*.

Finally, the Task Force discussed the concept of applying the state's Commute Trip Reduction (CTR) program to local school districts.

## **Final Recommendations of the 2009 Task Force:**

### **State Funding-Assistance Ratio**

1. The Legislature should commission an in-depth analysis of per-student space allowance and construction-cost allowance, beyond the OSPI September 2009 review, to include a review of and comparison with national and state standards.
2. The Legislature, in reviewing the findings of such commissioned study, should prioritize the most important areas for immediate intervention based on overall policy goals.
3. The Legislature should direct OSPI to confer with subject experts on the Caseload Forecast Council (CFC) staff. Together they should determine

the best methodology for accurately projecting K-12 enrollment for purposes of determining eligibility for the School Construction Assistance Program.

4. The Legislature should direct OSPI to explore alternative School Construction Assistance Program allocation methods for small school districts — such as setting fixed allocations for districts within small enrollment ranges.

### **Specialized Program Space**

5. The Legislature should monitor the implementation of ESHB 2261 (concerning the state's education system) to assure that ongoing policy proposals include full consideration of capital budget implications and statewide school-facility needs.
6. The Quality Education Council established in ESHB 2261 should periodically consult with the Senate and House Capital Budget chairs and ranking minority members regarding K-12 school-facility needs.
7. The Legislature should direct OSPI to submit its Biennial Capacity Report, required by ESHB 2261, to both Senate and House Capital Budget Committee chairs and ranking minority members as well as to Senate and House Education and Operating Budget Committee chairs and ranking members.
8. The Legislature should select a preferred alternative from the JLARC report on the K-12 Pilot Facility Inventory, Condition and Use System, utilizing information in the study and its benefit/cost analysis.

### **Regional-Cost Differences**

9. The Legislature and OSPI should continue to explore and analyze regional-cost differences.

### **Other Topics: State Auditor's Report & Commute Trip Reduction Program**

10. The Legislature should direct OSPI to work with the Office of the State Treasurer, public school districts, educational service districts, and the Washington State School Directors' Association (WSSDA) to identify and provide written guidance to, and training for, school districts on issuing debt.
11. The WSSDA should update the Washington School Bond Manual to incorporate best practices recommendations that promote separation of financial advisors and underwriters.

12. The Legislature, OSPI, and the Washington State Department of Transportation (WSDOT) Commute Trip Reduction program should encourage public school districts to establish and implement effective commute trip reduction programs for employees and students.

### **Next Steps**

13. The Legislature should continue the Joint Legislative Task Force on School Construction Funding in order for it to monitor and provide advice on:
  - Updates from OSPI on the commissioned study of per-student space allowances and construction-cost allocations,
  - OSPI's asset-management program to ensure new school-facility maintenance standards are being met, and
  - The work of the Quality Education Council and associated work groups with the goal of promoting integrated consideration of state and local school district capital cost implications.

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# STATE FUNDING-ASSISTANCE RATIO

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## Background

The first topic the 2007-09 Capital Budget proviso directed the Task Force to explore was the state funding-assistance ratio used in the school-construction funding formula.

The 2009-11 Capital Budget further directed OSPI to analyze the student space and construction-cost allocations used in the school construction funding formula and to report to the Legislature with recommendations for appropriate allocation levels. The resulting OSPI report noted that increases in both allocations would be justified; however, there was insufficient time and a lack of resources to complete a comprehensive analysis of the allocation. OSPI's final September 2009 report to the Legislature, *Analysis of the School Construction Assistance Program Formula Allocations*, contained the following recommendations:

- **PRIMARY RECOMMENDATION:** Review and confirm the existing policy goals or adopt new goals for the School Construction Assistance Program.
- **SECONDARY RECOMMENDATION 1:** Increase the allowable square footage per student to be based on actual educational needs. The OSPI should commission a study to determine the average square foot space needs for all spaces by grade span, which would define the student square foot allocation. This base standard should include recent policy and educational requirements (e.g., all-day kindergarten, expanded science labs).
- **SECONDARY RECOMMENDATION 2:** Increase the construction cost allocation to be based on the true costs of construction. The OSPI should commission a study to determine the appropriate level of the construction cost allocation and to establish appropriate methodology for adjusting the construction cost allocation over time.

In addition to student-space allowances and construction-cost allocations, the school-construction funding formula relies on estimates of K-12 student enrollment, by district, to measure the amount of space eligible for state funding assistance.

The 2008 Capital Budget directed OSPI to evaluate the accuracy and reliability of the current method used for forecasting school-district enrollment for determining eligibility for the School Construction Assistance Program. OSPI contracted with Berk and Associates to conduct the study, and a final report was submitted to the Legislature on December 24, 2008. Key findings included the following:

- Projections using OSPI's current method were more accurate for larger districts than smaller districts.
- OSPI's current method is more accurate in projecting short-term enrollment than long-term enrollment.
- For large districts, even a low error rate at or below  $\pm 5\%$  is a large number of students. Errors in projections of these students could mean a difference of several critically-needed classrooms when planning for school facilities.
- There are tradeoffs in time and accuracy in choosing between incorporating local knowledge and data versus using a more formulaic method.
- The "births-to-kindergarten" method is more accurate at projecting kindergarten enrollment than the "K linear" method. The "K linear" method projects kindergarten enrollments using a 5-year historical trend.
- In most cases, the addition of a housing-unit adjustment to population trends — which often serves as a proxy for regional growth — did not increase the projection's accuracy, though the "high growth" and "growth" categories did see small improvements in accuracy.
- High online learning enrollments negatively affected the accuracy of projections. Given the recent increase in online learning programs, grade progressions based on historical inputs were found to not have accounted for these enrollments. Thus, enrollments were under-projected.

The Caseload Forecast Council currently projects K-12 enrollment for the purpose of Operating Budget funding. Using a variety of forecasting methodologies — and in consultation with a technical working group made up of the Office of Financial Management, Senate and House fiscal staff — forecasters project enrollment for K-12 basic education, as well as bilingual and special-education programs.

In public testimony, the Task Force heard that very small school districts are most affected by variances between funding-formula enrollment projections and final, actual enrollment. A small variance between the number of students estimated in a forecast and the actual number of students that eventually need to be accommodated has a disproportionately large impact on small districts.

## **Recommendations**

1. The Legislature should commission an in-depth analysis of per-student space allowance and construction-cost allowance, beyond the OSPI September 2009 review, to include a review of and comparison with national and state standards.

2. The Legislature, in reviewing the findings of such commissioned study, should prioritize the most important areas for immediate intervention based on overall policy goals.
3. The Legislature should direct OSPI to confer with subject experts on the Caseload Forecast Council (CFC) staff. Together they should determine the best methodology for accurately projecting K-12 enrollment for purposes of determining eligibility for the School Construction Assistance Program.
4. The Legislature should direct OSPI to explore alternative School Construction Assistance Program allocation methods for small school districts — such as setting fixed allocations for districts within small enrollment ranges.

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# SPECIALIZED PROGRAM SPACE

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## Background

The second topic the 2007-09 Capital Budget proviso directed the Task Force to explore was accommodation of specialized program space or unique building circumstances (such as all-day kindergarten and science labs).

### **2009 Legislation — ESHB 2261:**

In 2009, the Legislature enacted ESHB 2261, concerning the state's education system. The bill created a new funding formula for operating programs based on a prototypical schools model and is to take effect in 2011 to the extent the details have been developed. Monitoring and oversight of any changes to the statewide program of education will be provided by the Legislature and the newly-established Quality Education Council (QEC). A task force of technical experts for school district financing was convened during the summer of 2009 to develop the details of that funding formula and to present recommendations to the Legislature in 2010. Other technical workgroups that will help guide implementation are the levy & levy equalization work group, beginning July 2010, and the compensation work group, beginning July 2011.

The primary impacts of ESHB 2261 for the capital budget are those programs and policies that are likely to drive the need for additional or specialized facilities or space. These programs and policies may include:

- Changes in class size, minimum staffing levels, and classroom periods consistent with the plans developed for prototypical schools (though smaller class size efforts have been underway in previous biennia in the form of enhanced staffing ratios and Initiative 728, otherwise known as the Student Achievement Program);
- Adding the phase-in of all-day-kindergarten to the definition of basic education;
- Continuing work on a program of early learning.

The major tool for synchronizing the implementation of ESHB 2261 with the capital budget and statewide education facility needs will be the biennial capacity report, required by ESHB 2261, and prepared by the OSPI.

### **K-12 Pilot Facility Inventory System:**

The state currently lacks a comprehensive statewide data system for collecting and reporting information about K-12 facilities. The absence of accurate statewide data prevents statewide policy-makers from answering questions such as:

- How many portables are being used?
- How old are most school buildings?
- How much do districts spend on construction and renovation compared to that spent by the state?
- What grades are taught in which buildings?
- How many districts own versus lease their sites?
- How much are districts spending to purchase or lease sites?
- How prepared are districts for potential statewide policy changes such as the implementation of full-day kindergarten, programs of early learning, or reduced class sizes?

The 2008 Supplemental Capital Budget (ESHB 2765, Section 1001) directed the Joint Legislative Audit and Review Committee (JLARC) to define and develop a pilot facility condition and inventory system for K-12 public school facilities. The overall goal of the pilot was to determine the feasibility and costs of statewide data collection on K-12 facilities.

JLARC reported the preliminary results of its pilot in the report, "*K-12 Pilot Facility Inventory, Condition & Use System (December 1, 2009).*"

JLARC's pilot project organized K-12 facilities data into three categories to help answer questions such as the following:

- Inventory Data – How many school buildings are there? How old are they? How many have been remodeled, and at what cost? How many portables are in use?
- Condition Data – What is the physical condition of school buildings? How many buildings have systems that need repair or replacement? What would be the cost of repairs?
- Use of Space and Functionality Data – How is school building space being used? Are schools sharing space with the community? Is there space to offer all-day kindergarten? Is classroom space functional?

JLARC's pilot project demonstrated that it is feasible to collect most, but not all, of the K-12 facility data explored in the pilot. Standard definitions were difficult to

identify and it was challenging for districts to collect data in a consistent manner in the “Use of Space and Functionality” category.

Other lessons from the pilot included:

- School-mapping data are already collected by Washington Association of Sheriffs and Police Chief and could form the basis of OSPI’s inventory system.
- JLARC tested the usability of a newly-designed form for collecting condition data as a potential replacement for the form school districts currently use to provide condition information to OSPI when requesting state funding. The pilot showed that the current OSPI form is adequate and could be made more useful if it were linked to a set of industry standard codes.
- School district staff and professional consultants independently conducted condition assessments of the same set of school buildings. The ratings for building condition submitted by district staff are very similar to those provided by the professional consultants.

Additionally, a comprehensive system of cataloguing and reporting K-12 school facilities and conditions could serve an important role in the implementation of a new system of K-12 operating budget funding created with ESHB 2261.

## **Recommendations**

5. The Legislature should monitor the implementation of ESHB 2261 (concerning the state's education system) to assure that ongoing policy proposals include full consideration of capital budget implications and statewide school-facility needs.
6. The Quality Education Council established in ESHB 2261 should periodically consult with the Senate and House Capital Budget chairs and ranking minority members regarding K-12 school-facility needs.
7. The Legislature should direct OSPI to submit its Biennial Capacity Report, required by ESHB 2261, to both Senate and House Capital Budget Committee chairs and ranking minority members as well as to Senate and House Education and Operating Budget Committee chairs and ranking members.
8. The Legislature should select a preferred alternative from the JLARC report on the K-12 Pilot Facility Inventory, Condition and Use System, utilizing information in the study and its benefit/cost analysis.

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# REGIONAL-COST DIFFERENCES

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## Background

The Task Force examined regional-cost differences, comparing labor costs and the cost of materials across nine sample districts.

School-construction costs might be higher in certain parts of the state, but limitations of data prevent drawing conclusions. An analysis of five areas in Washington shows that the majority of K-12 school-construction projects completed in study period were located in the Puget Sound region. However, due to the relatively low number of projects for comparison purposes, especially in Eastern Washington and Clark County, it is difficult to draw any data-supported conclusions regarding major regional construction cost variations.

Some observations from the examination:

- The price per square foot for the last three-year average is 15 percent higher in King County than the statewide average.
- There is an indication that labor costs may be up to 23 percent higher in the Puget Sound region than in other areas of Washington.
- These cost variations do not take into account the type of construction (e.g. the amount of elementary-school construction compared to high-school construction).
- High school projects typically have a higher price per-square-foot due to having more specialized space, such as laboratories.
- The Puget Sound region has 23 projects for analysis while most other areas have fewer than 10 projects. The small number of projects, along with absence of information about the category of construction, makes a conclusion difficult.
- According to the Boeckh Index, 2009 construction inflation has been 5.39 percent for the Seattle area compared with 5.66 percent for the statewide average.

Analysis of school districts' labor costs and the funding-assistance percentages used in the state school-construction-funding formula showed an inverse correlation between the two.

Additionally, the Task Force looked at differences in student population by enrollment and by U.S. Census, as well as district-by-district poverty measures. The analysis yielded the following policy questions:

- How would the addition of a regional-cost factor to the current funding formula affect tax-equalization goals?
- What is the relation between student-poverty levels, space requirements, and district property values in regard to state funding?

### **Recommendation**

9. The Legislature and OSPI should continue to explore and analyze regional-cost differences.

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## OTHER TOPICS

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### **Background**

In addition to the subjects identified in the capital-budget proviso for examination, the Task Force received testimony regarding the State Auditor's Performance Audit Report, "Opportunities for the State to Help School Districts Minimize the Costs and Interest Paid on Bond Debt." Finally, the Task Force considered the possibility of applying the state's Commute Trip Reduction (CTR) program to local school districts.

#### **State Auditor's Performance Audit:**

In August 2009, the State Auditor released a performance audit report #100130, "*Opportunities for the State to Help School Districts Minimize the Costs and Interest Paid on Bond Debt.*" The primary objectives of this audit were to answer the following questions:

- Is the State providing school districts with adequate guidance on how to issue general obligation bonds in the most cost-effective manner?
- If guidance is not sufficient, what are the resulting costs and what can be done to reduce them?

The State Auditor's report contains the following findings:

- Although some districts obtained competitive rates on their general obligations bonds, districts as a whole could have saved \$44.6 million to \$79.4 million over five years by following best practices for issuing general obligation bonds.
- The state can help districts save money by providing guidance on selling bonds.
- Ninety-three percent of district debt was issued using a negotiated approach, most of which occurred without the assistance of an impartial financial advisor.
- Seven percent of district debt was issued competitively, all of which occurred with the assistance of a financial advisor.
- Negotiated sales were refinanced nearly three times more frequently than competitive sales during the five-year period analyzed.

#### **Commute Trip Reduction Program:**

The state's Commute Trip Reduction (CTR) law was enacted in 1991 and is incorporated into the Washington Clean Air Act. The goals of the program are to reduce traffic congestion, air pollution, and petroleum consumption through

employer-based programs that decrease the number of commute trips made by single-occupant drivers. The Legislature has declared that it is the policy of the state that the Department of Transportation and other state agencies, including institutions of higher education, will aggressively develop substantive programs to reduce commute trips by state employees.

The Washington State Department of Transportation (WSDOT) provides technical assistance to jurisdictions and employers to help implement the program. Technical assistance includes training, support with data collection and analysis, and maintaining networks of partners and documentation on best practices.

## **Recommendations**

10. The Legislature should direct OSPI to work with the Office of the State Treasurer, public school districts, educational service districts, and the Washington State School Directors' Association (WSSDA) to identify and provide written guidance to, and training for, school districts on issuing debt.
11. The WSSDA should update the Washington School Bond Manual to incorporate best practices recommendations that promote separation of financial advisors and underwriters.
12. The Legislature, OSPI, and the Washington State Department of Transportation (WSDOT) Commute Trip Reduction program should encourage public school districts to establish and implement effective commute trip reduction programs for employees and students.

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## NEXT STEPS

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The Joint Legislative Task Force on School Construction Funding was established originally through a proviso in the 2007-09 Capital Budget (Chapter 520, Laws of 2007, Section 6014) to comprehensively review and evaluate school construction funding issues. The work of the task force was completed in 2008, but was directed to continue in the 2009-11 Capital Budget (C 497, L 09, PV, Sec 5017 – ESHB 1216).

The 2009 Interim Joint Legislative Task Force on School Construction has identified the following areas as needing additional examination:

- Updates from the OSPI on the commissioned study of the per-student space allowance and construction cost allowance;
- Monitoring, evaluation, and oversight of the new asset-management program to ensure school-facility maintenance standards are being met;
- Review of the Quality Education Council (QEC) work implementing ESHB 2261 (concerning the state's education system) and continued coordination between operating programs and school facilities' needs. The Task Force should provide ongoing feedback and advice to the QEC as it works to implement a newly-designed program of funding education.

### **Recommendation**

13. The Legislature should continue the Joint Legislative Task Force on School Construction Funding in order for it to monitor and provide advice on:
  - Updates from OSPI on the commissioned study of per-student space allowances and construction-cost allocations,
  - OSPI's asset-management program to ensure new school-facility maintenance standards are being met, and
  - The work of the Quality Education Council and associated work groups with the goal of promoting integrated consideration of state and local school district capital cost implications.

## APPENDIX A

### Joint Legislative Task Force on School Construction Funding

#### 2007 & 2008 Recommendations

#### Status Report • December 2009

Recommendation <sup>i</sup>		Legislative Action During 2009 Session	Status of Implementation
1	Recognize K-12 as the first priority for state capital construction funding. Recommend that during capital budget development, first consideration is given to K-12 capital needs within available resources.	The Legislature, in the capital budget, funded state contribution to all qualifying K-12 construction projects expected in the School Construction Assistance Program. Additionally, significant enhancements were made for grants supporting infrastructure improvements in energy efficiency, health and safety, and small repairs (from \$4 million in 2007-09 to \$20 million in 2009-11).	OSPI released all eligible projects for 2009 — a total of 29 projects with state contributions of \$149.3 million. In addition to the Small Repair Grant Program, OSPI has launched a new Energy Efficiency Improvements grant program. Finally, OSPI presented to the 2009 Task Force its report to the Legislature, <i>School District Capital Construction Reimbursement Claim Process</i> .
2	Expand the list of activities such as painting, major equipment repair or other major preventative maintenance purposes, that may be funded with local six-year school district capital levy revenues.	2009 Legislature enacted this change with ESHB 1619 (Chapter 460, 2009 Laws), related to use of capital projects funds by school districts.	Effective date: 07/26/09
3	Consider sending a statewide-bond issue for K-12 school construction to the people for voter approval.	Task Force recommendation for future consideration. In addition, HB 2334, a referendum to the people that was not enacted, would have appropriated \$2 billion for the modernization and renovation of school facilities to address safety and health needs and to improve the energy efficiency of school facilities.	N/A

Recommendation <sup>i</sup>		Legislative Action During 2009 Session	Status of Implementation
4	Consider short- or long-term expansion of the state debt limit by including near-general fund and other revenue sources.	<p>Task Force recommendation for future consideration.</p> <p>2009 Legislature enacted this change with ESSB 5073 (Chapter 479, 2009 Laws), related to consolidating accounts into the state general fund. SSB 5537 amended the 7 percent statutory debt limit to align it with the Constitutional debt limit of 9 percent.</p>	Effective date: 07/01/09
5	Provide technical assistance and finance support for school districts' land acquisitions.	Capital budget bill ESHB 1216 (Chapter 497, 2009 Laws PV), Section 5012 (1) directs OSPI to "Develop a plan, in consultation with the department of natural resources, to assist schools in regularly communicating with the department of natural resources about options for school districts to acquire and lease state trust land;"	<p>This is a continuation of the 2009 OSPI and DNR of Land Banking study.</p> <p><a href="http://cmsstage/documents/joint/k12scf/PotentialSchoolSites.pdf">http://cmsstage/documents/joint/k12scf/PotentialSchoolSites.pdf</a></p> <p>New work to be completed by OSPI and DNR by June 2011.</p>
6	Extend the statutory limit for the expenditure of impact-fee revenues from six years to 10 years.	2009 Legislature enacted this change with SB 5580 (Chapter 263, 2009 Laws), related to the time limits of school impact fee expenditures.	Effective date: 07/26/09
7	Develop options for allowing state funding assistance for school districts' use of leasing and lease/purchase arrangements. State assistance will enable schools to use their current leasing authority to achieve greater flexibility and to more effectively meet short-term space needs.	During the 2009 session, legislators explored this option further and concluded the changes that could be effected via additional statutory amendment were of very limited value; further action is suspended.	N/A

8	<p>Direct the Office of the Superintendent of Public Instruction (OSPI) to supply project-specific information for each School Construction Assistance Program project release. The report format will follow the template developed by Berk and Associates in the 2008 interim. Information will include – but not be limited to – total project cost, state and local shares of project costs, total project square footage, state-eligible square footage, and match ratio. The final report will also include post-project completion costs.</p>	<p>No action necessary; OSPI implemented with current administrative authority.</p>	<p>Implemented. Reports on projects available at OSPI website:  <a href="http://www.k12.wa.us/SchFacilities/ConstructionProjects/default.aspx">http://www.k12.wa.us/SchFacilities/ConstructionProjects/default.aspx</a></p>
9	<p>Accommodate specialized program space or unique building circumstances by either increasing factors in the funding formula or developing a separate grant program. This includes specialized capital needs generated by K-12 policy decisions made by the Legislature. Examples include – but are not limited to – all-day kindergarten, science laboratories, and early-learning facilities.</p>	<p>In part, it is expected this will be addressed with the re-assessment of the state area cost allowance and the average square-foot space needs, described below.</p>	<p>Please see number 15 below.</p>
10	<p>Remove future funding penalties for school districts that accommodate cooperative partnerships and/or joint uses of public-school facilities. The intent of this recommendation is to eliminate penalties schools currently incur during subsequent calculations of usable space; the intent is not to provide state K-12 capital funding assistance for space constructed for general community purposes. Examples of partners include – but are not limited to – skills centers, youth activity organizations, non-profit</p>	<p>Capital budget bill ESHB 1216 (Chapter 497, 2009 Laws PV), Section 5012 (4) directs OSPI to "Convene a definitions work group on the joint use of public school facilities. The work group must report its findings and recommendations to the appropriate committees of the legislature by January 1, 2010."</p> <p>The product of this work group is expected to 1) provide legislators with clarity about</p>	<p>The work group's report is due to the Legislature in January 2010.</p>

	organizations, health clinics, social service providers, and early-learning providers.	the specific circumstances in which this recommendation can or should apply, 2) curtail potential unintended consequences of insufficiently-specific language in amending RCWs, and 3) guide development of potential legislation in the 2010 session.	
11	Direct OSPI to continue to draft and implement policies for effective facility maintenance. The policies will ensure performance accountability; promote student health and safety; create an encouraging learning environment; and extend building life, thus minimizing future capital needs.	Capital budget bill ESHB 1216 (Chapter 497, 2009 Laws PV), Section 5012 (2) directs OSPI to "Continue to develop an asset preservation program;"	<p>Asset preservation program enacted in Washington Administrative Code (WAC) May 28, 2009; detailed implementation with school districts will be ongoing.</p> <p>Asset Preservation Rule (WAC 392-347-023):</p> <ol style="list-style-type: none"> <li>1) Commitment by school boards to maintain the state assisted facility with an Asset Preservation Program (APP).</li> <li>2) Implement an Asset Preservation System (APS) for predictive and preventative maintenance, annual facility condition assessments and annual facility report to school boards.</li> <li>3) Report annually to school boards, every 6 years to OSPI.</li> </ol> <p>Program Development Work:</p> <ol style="list-style-type: none"> <li>1) Completed, with Washington State School Directors' Association (WSSDA), APP model school board resolutions and policies.</li> <li>2) APP Work Group developing model APS and a Facility</li> </ol>

			<p>Condition Standard.</p> <p>3) Facility Condition Assessment under review considering the work completed by and reported by JLARC in its K-12 Facilities Inventory, Condition and Use Pilot Study.</p> <p>Due Dates for Rule Compliance (1994 Facilities)  APP: 12/31/2009  APS: 1/1/2011  OSPI Report: 4/1/2011</p> <p>Program Development Work :  Spring 2010</p>
12	Evaluate funding to implement the Board of Health's proposed rule revisions for school health and safety.	Legislators evaluated the decision packages for operating and capital assistance to school districts in implementing amended health and safety rules. The decision packages were not funded and the State Board of Health was directed to defer implementation of any new requirements until funding can be provided (Operating budget bill ESHB 1244, Section 222[1]). Capital funding for Health, Safety, and Small Repair Grants was increased to \$20 million to assist in safety and health infrastructure improvements, as well as energy operational cost savings which will help address needs meeting current health and safety rules.	<p>The State Board of Health will hold a hearing on August 12, 2009 in Senate Hearing Room 3 at 1:00 p.m. The school environmental health and safety rule will be coming up for a vote of the Board at that time.</p> <p>At its June 10 meeting, the Board endorsed a course of action to adopt the new rule but not implement them until, or if, specific funding is provided in the state budget to help local school districts with the cost of implementing.</p>

13	Re-authorize the Joint Legislative Task Force on School Construction Funding for one year to continue the study of potential future recommendations, to track and adjust alignment of recommendations to implementation plan, and to finalize any required changes to the school construction funding formula.	Capital budget bill ESHB 1216 (Chapter 497, 2009 Laws PV), Section 5017 re-authorizes the Task Force and specifies that the Task Force should not incur costs	Task Force convened and studied the assigned topics during 2009 interim.
14	Adopt Berk & Associates' recommendation to more accurately name formula components.	2009 Legislature enacted this change with SB 5980 (Chapter 129, 2009 Laws), related to school plant funding.	Effective date: 07/26/09 List of old and new terminology posted on OSPI website at: <a href="http://www.k12.wa.us/SchFacilities/Programs/SchoolConstructionProjects.aspx">http://www.k12.wa.us/SchFacilities/Programs/SchoolConstructionProjects.aspx</a>
15	Adopt Berk & Associates' recommendations to commission two studies: one to determine the appropriate level of the area-cost allowance (ACA) and establish a methodology to adjust the ACA over time; and a second to determine the average square-foot space needs, by grade span, to define the student-square-foot-space allowance.	Capital budget bill ESHB 1216 (Chapter 497, 2009 Laws PV), Section 5012 (3) directs OSPI to conduct this analysis.	OSPI presented report to Task Force on October 27, 2009.
16	Evaluate for possible adoption the remainder of Berk & Associates' recommendations.	Task Force recommendation for future consideration.	2009 Task Force issue
17	Review and consider relevant recommendations from other concurrent task forces, work groups, and sub-committees including – but not limited to – the Joint Basic Education Finance Task Force and the Interim Legislative Task Force on Comprehensive School Health Reform.	Task Force recommendation for future consideration.	Ongoing

18	Explore a method to account for regional cost differences in the funding formula.	Task Force recommendation for future consideration.	2009 Task Force issue
19	Explore raising the current state-matching ratio used in the funding formula.	Task Force recommendation for future consideration.	2009 Task Force issue

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<sup>i</sup> Recommendations are numbered for convenience referencing, and are not intended to convey priority.