

September 15, 2008

The Honorable Dale Brandland  
P.O. Box 40442  
Olympia WA 98504-0442

The Honorable Karen Fraser  
PO Box 40422  
Olympia, WA 98504-0422

The Honorable Bill Fromhold  
PO Box 40600  
Olympia, WA 98504-0600

Dear Senator Brandland, Senator Fraser, and Representative Fromhold:

Thank you for your ongoing work to improve the school construction funding formula. The Joint Legislative Task Force on School Construction Funding has taken an important step in focusing on the lack of transparency in the school construction funding formula. By identifying the key underlying reasons, the Task Force is now poised to address the main obstacles to the development of a more transparent and fair construction funding formula.

We have reviewed the policy options resulting from the July and August brainstorm sessions, and we have listed, in order of priority, the items that from our perspective could have the greatest benefit for school districts.

From Tier 1 Options:

- Our first priority is to *improve the transparency of the system*. This has been our priority since the Task Force started its work. We strongly support the option to “direct OSPI to calculate and provide project specific information using the template projection.” This will provide more accurate information to all the decision-makers.
- We support *a competitive grant program for all-day kindergarten programs*. Even though there has been extensive discussion regarding the educational merits of all-day kindergarten, we need to focus on how to provide capacity in many districts to house these programs.

- We support *increasing the square foot allocation and/or area cost allowance for specialized program spaces or unique building circumstances*. Science labs, for example, require more space and they are important to our efforts to ensure that we provide a world-class education.
- Our fourth priority among the Tier 1 Options would be to *modify the already enhanced square foot allocation for special education*.
- Finally, we encourage the Task Force to reintroduce legislation to *extend the current statutory six-year limit for the expenditure of impact fee revenues to ten years under certain circumstances*. This change to the Growth Management Act would particularly benefit smaller school districts.

Tier II Options:

- School districts statewide would benefit immediately from *an increase to the square foot per student allocations and an increase in the area cost allowance*. Along with increasing transparency, these goals have consistently been our top objectives.
- We are aware of the reluctance of some legislators to consider this option, but we would be remiss if we did not point out that the Task Force should consider a sales tax exemption for school construction funding projects. For some districts, the state match provided to the district is primarily used to pay for the state sales tax on the construction projects. Providing an exemption would eliminate this unfair situation.
- We would not differentiate between new construction and modernization in the funding formula. Instead, we would support a policy to differentiate between modernization area cost allowance and historic modernization area cost allowance. There are substantially higher costs associated with modernizing historic buildings, but such efforts are needed to preserve and modernize these important schools and to strengthen our relationships with our communities.
- We would also support the *creation of an entirely new funding formula* based on per student allocation.
- Our fifth priority, among the Tier II options, would be to *develop a method to account for regional cost differences*.

We understand your concerns regarding those districts that are unable to access state assistance because of the inability to secure sixty percent voter approval for bonds. We are concerned, however, about the “safety net” recommendation which could reward districts that do not step up to the local responsibility for funding school construction. Instead, we would recommend that the Legislature continue to fund the small repairs

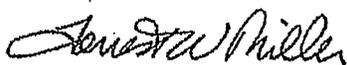
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grant program. In addition, for small districts, the Office of the Superintendent of Public Instruction should provide additional assistance in the planning process.

Thank you for your leadership to improve school district construction funding. We are hopeful that this feedback will be useful as the Task Force deliberates recommendations. Please let us know how we can continue to support your efforts.

Sincerely,



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cc: Sandi Swarthout