

School Construction Safety Net Award Pilot Option

Key Provisions

- \$40 million school construction safety net pilot would be established with the first awards in March 2010.
- Only projects that are not eligible for the current state school construction assistance program could qualify for a potential safety net award.
- School districts would be required to match the award dollar for dollar with a local bond, capital project levy, or other source.
- This requirement could be waived for districts that: (1) are extremely property poor as defined in the draft as having less than 30 percent of the statewide average assessed value per student (13 out of the 295 districts); or (2) have made a "good faith effort" by attempting to pass a bond or capital project levy for the project at least two times.
- Priority would be given to projects addressing students in portables and/or issues impacting safety or student learning.
- By September 2009, OSPI would report to the Legislature and OFM on the criteria and method for making safety net awards. By February 2010 (one month before making awards), OSPI would report to the Legislature and OFM on the anticipated awards.

Key Questions

- *What is the intended role for the safety net e.g. filling particular need not met by the current formula or addressing fundamental problems in that funding formula?*
- *Is this envisioned as a stop gap measure or this intended to be an on-going part of the funding formula when the other recommendations are fully phased in?*
- *Should there be any exemption for school districts that cannot obtain the local match?*
- *Should the awards be converted into loans in some situations?*

Example Budget Language

To the extent necessary, \$40,000,000 of the state building construction account -- state appropriation is provided solely to establish a pilot program for making school construction safety net awards for additional needs and issues not addressed through the funding in the regular school construction assistance grant program. The purpose of these awards are to further partner with school districts and supplement funding for school facilities beyond the funding provided for in the existing school construction assistance grant program.

(1) A school construction safety net oversight committee, appointed by the superintendent of public instruction, shall consist of:

(a) one staff person from the office of superintendent of public instruction;

(b) three or more representatives from school districts or educational service districts knowledgeable of school construction; and

(c) one staff person from the office of financial management.

(2) School construction safety net funds shall be awarded by the state school construction safety net oversight committee subject to the following conditions and limitations:

(a) The committee shall consider only projects not eligible for funding from the state school construction assistance grant program. In addition, before determining that the project is eligible for a school construction safety net award, the committee shall ensure that the school district making the application has aggressively pursued funding from all other sources for the project before making the application.

(b) In order to be eligible for funding, school districts making an application for a school construction safety net award must certify that they will match any award on a dollar for dollar basis. This match may take the form of proceeds from a locally authorized bond, a six year capital project levy, or any other source not otherwise obligated or restricted.

(c) The committee may grant an exception to a school district not eligible for a school construction safety net award as a result of the local match requirements in (b) of this subsection if: (i) the school district has as assessed value per student less than 30 percent of the statewide average; or (ii) the committee determines that the school district has made a good faith effort to acquire matching funds for the project. In order to meet the criteria for a good faith effort exception, the school district must document that they have requested and not been successful in obtaining funding for the specific project with

same general scope through a local bond or capital project levy request on at least two previous occasions within the last two years and the committee must make a determination that the reason for the lack of voter approval was not due to a voter determination that the project was unneeded, unreasonably broad, too costly, or an inefficient use of public resources.

(d) For projects meeting the eligibility requirements of (a), (b), or the exception criteria in (c) of this subsection, the committee shall develop criteria and a method for prioritizing and awarding school construction safety net grants. The criteria must include, but is not limited to, projects that address: (i) students in portables; or (ii) significant issues impacting student safety or student learning. The criteria must also ensure that all projects awarded funds maximize the effective and efficient use of local and state public resources.

(e) To the maximum extent possible and appropriate, in prioritizing and awarding projects in the school construction safety net pilot, the committee shall attempt to: (i) achieve an equitable distribution among school districts based on geographic location and size of the school district; and (ii) maximize the number of projects awarded.

(f) The first awards from the school construction safety net pilot shall be made on March 1, 2010. By September 1, 2009, the superintendent of public instruction shall provide a report detailing the planned criteria and method for awarding school construction safety net pilot grants to the office of financial management and the appropriate policy and fiscal committees of the legislature. By February 1, 2010, the superintendent of public instruction shall provide a report detailing the anticipated awards for the school construction safety net pilot to the office of financial management and the appropriate policy and fiscal committees of the legislature.