

HOUSE BILL REPORT

HB 3291

As Reported by House Committee On:
Capital Budget

Title: An act relating to community and surplus schools.

Brief Description: Enacting the community schools act of 2008.

Sponsors: Representatives Kelley, Santos, Pettigrew, Cody, Hudgins, Pedersen, Dickerson, Nelson, Quall, Kenney, Sullivan, McIntire, Green and Barlow.

Brief History:

Committee Activity:

Capital Budget: 2/4/08, 2/12/08 [DPS].

Brief Summary of Substitute Bill

- Directs the Department of Community, Trade and Economic Development (DCTED) to establish a competitive program to assist eligible entities in acquiring, constructing, rehabilitating, or improving facilities to be used for nonresidential coordinated services for children and families.
- Amends the Youth Recreational Facilities program within the DCTED to give priority consideration to projects that include cooperative partnerships or joint use agreements for facilities shared with public school districts, local governments, nonprofit early learning providers, post-secondary institutions, and tribal governments.
- Directs the Office of the Superintendent of Public Instruction to provide a 10 percent enhancement to the area cost allowance for school districts that have a comprehensive plan for cooperative partnerships that include the joint use of school facilities for multiple qualified services for the facility being proposed for state assistance.

HOUSE COMMITTEE ON CAPITAL BUDGET

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Fromhold, Chair; Ormsby, Vice Chair; Schual-Berke, Vice Chair; Appleton, Blake, Chase, Dunshee, Eickmeyer, Flannigan, Hasegawa, Kelley, Pedersen, Sells and Upthegrove.

Minority Report: Do not pass. Signed by 6 members: Representatives McDonald, Ranking Minority Member; Hankins, McCune, Pearson, Skinner and Smith.

Staff: Susan Howson (786-7142).

Background:

Washington has traditionally provided capital funding to local governments and other entities through a variety of competitive grant programs. Examples of grant programs funded through the Capital Budget and administered by the Department of Community, Trade and Economic Development (DCTED) include the Building for the Arts program, the Community Services Facilities program, and the Youth Recreational Facilities (YRF) program.

The YRF program was created by the Legislature in 2003 to provide grants to nonprofit, community-based organizations to defray up to 25 percent of the eligible capital costs for the acquisition, major construction or renovation of nonresidential projects that provide a youth recreation opportunity that is supported by a social service or educational component at the same location.

School districts are authorized and encouraged in statute to make full use of school district facilities by providing or permitting community education programs to be held in district facilities for the purpose of stimulating and meeting the full educational potential and needs of the district's residents of all ages. Such programs include those for prospective parents, foster parents, and adoptive parents on parenting skills, violence prevention, and child abuse prevention. School districts are also authorized to establish or allow for the establishment of nonprofit meal programs for the elderly and children in school facilities.

A public school district with student enrollment of less than 2,000 pupils is considered a second class school district. School boards of second class districts may provide for the free, comfortable and convenient use of school property for meetings, discussion, study, improvement and other community purposes, especially in matters pertaining to agriculture, household economies, home industries, good roads, and community vocations and industries. A local school board is authorized to sell, lease, rent, or permit the occasional use of surplus school property. Proceeds from the sale, lease, rent or use must be deposited into the school district's debt service fund and/or capital projects fund, except that moneys expended for the maintenance, utility, and insurance costs associated with the lease or rental of such property must be deposited into the district's general fund. Sale proceeds may be used for costs associated with the sale of surplus school property.

The School Construction Assistance Grant Program (Grant Program) was established in 1947 to assist local school districts with their school plant facilities. The State Board of Education was the authorizing agency for this Grant Program until a change in 2006 made state support

for providing school facilities the sole responsibility of the Office of the Superintendent of Public Instruction (OSPI). The Grant Program provides funding for limited facility planning and matching funds for school construction and renovations.

School districts are eligible for a Study and Survey grant every six years. The Study and Survey is an overall analysis of the school district's facilities, educational programs and plans, student population projections, capital finance and operating capabilities, and identification of needs for new construction, modernization or replacement of facilities. A school district must complete a Study and Survey in order to be considered for state assistance through the Grant Program.

Three factors determine the amount of state assistance a district may receive through the Grant Program, including: (1) the square footage of instruction space for which the state will provide matching funds (eligible area); (2) the cost per square foot the state will match (area cost allowance); and (3) the matching ratio which relates to equalizing the state's wealth by providing a greater percentage of state matching funds to economically disadvantaged districts.

Summary of Substitute Bill:

Legislative intent outlines several goals regarding improving the coordination, availability, and effectiveness of services for children and families; ensuring that children are ready to learn every day; enabling families to participate in the education of their children; and enabling more efficient use of federal, state, local, and private sector resources that serve children and families.

The DCTED is directed to establish and conduct a statewide competitive grant solicitation and evaluation process to assist eligible entities in acquiring, constructing, rehabilitating, or improving facilities, including surplus schools, to be used for the delivery of nonresidential coordinated services for children and families in surplus school buildings, on school grounds, or within reasonable safe walking distance for the age of the student.

The DCTED must evaluate and rank applications in consultation with an independent advisory board using objective criteria and establish a tiered system to determine the amount of matching funds required from a grantee based on financial need, and taking into consideration community purpose and the ability of the applicant to obtain matching funds. In evaluating and ranking applications in consultation with an independent advisory board, the DCTED must give priority consideration to projects that provide multiple qualified services and that demonstrate facility usage beyond the traditional school day to include usage before and after school, on weekends, and all year use.

The DCTED is required to submit a prioritized list annually to the Governor and the Legislature in the DCTED's Capital Budget request beginning with the 2009-11 biennium. In recommending projects for funding, the DCTED may not set a monetary limit on funding requests or require that state funds be the last to be spent on a project.

Eligible entities that may apply for grant funds through the program include public school districts, local governments, nonprofit organizations, nonprofit early learning providers, and tribal governments.

Qualified services include, but are not limited to, early childhood education, remedial education and academic enrichment activities, programs that promote parental involvement, leadership, and education activities including family literacy, youth development programs, programs that assist students who have been truant, suspended or expelled, child care services, nutrition services, job training and career counseling services, community service opportunities, and primary health, dental care and mental health prevention and treatment services.

Applicants must submit a comprehensive plan to the DCTED that includes the following: (1) a list of partner entities and the qualified services to be provided through by each entity; (2) a memorandum of understanding between the applicant and its partner entities describing the role each entity will assume; (3) plans for joint utilization and maintenance of the facility, including liability considerations; (4) the student, family, and community population to be served by the project; (5) existing qualified services available at each school to be served and in the community involved; (6) location of the proposed project; and (7) an examination of capital and operating funds that applicants intend to apply to the project and qualified services by fund source. Applicants must also demonstrate that the proposed project is ready to proceed, will make timely use of the funds, and that state funding will accomplish a discrete, usable phase of the project.

Any grant funds used for the acquisition of surplus school facilities must be used by the local school board disposing of such property for renovation, replacement, or new construction of school facilities within the district.

For grants authorized under the program, the DCTED may not sign contracts or obligate funds until the Legislature has approved a specific list of projects. The DCTED must also require that capital improvements be held by the grantee for a specified period of time appropriate to the amount of the grant and that the facilities must be used for the express purposes of the grant. Grantees found to be out of compliance with the terms of the grant must repay to the State General Fund the principal amount plus interest calculated at the rate of interest on state bonds issued most closely to the date of the grant authorization.

The YRF program is amended to give priority consideration to projects that include cooperative partnerships or joint use agreements for facilities shared with public school districts, local governments, nonprofit early learning providers, post-secondary institutions, and tribal governments.

As part of the Study and Survey process, school districts that apply for state assistance through the School Construction Assistance Grant Program must include an inventory of school district facilities that are jointly used with other entities, or that could potentially be used for other community purposes. School districts must submit a long-range plan for future community use of school buildings.

The OSPI is directed to provide a 10 percent enhancement to the area cost allowance for school districts requesting funding through the School Construction Assistance Grant Program if the district can certify and provide documentation that they have a comprehensive plan for cooperative partnerships that include the joint use of school facilities for multiple qualified services for the facility being proposed for state assistance. The OSPI is directed to develop rules for implementation of this enhancement by September 1, 2008. Rules adopted must set specific time requirements of joint use beyond the traditional school day to include before and after school use, weekends, and all year use, in order for a district to be eligible for the area cost allowance enhancement.

Substitute Bill Compared to Original Bill:

Eligible entities are changed to include nonprofit early learning providers and exclude post-secondary institutions. The substitute bill clarifies that the program to be administered by the DCTED is for the delivery of nonresidential qualified services in surplus school buildings, on school grounds, or within a reasonable safe walking distance for the age of the students. Applicants are required to include information on the location of the proposed project in their comprehensive plan. The DCTED is required to give priority consideration to projects that provide multiple qualified services and have a high degree of joint usage beyond the traditional school day. The 10 percent area cost allowance enhancement is for school districts that can certify and provide documentation on the joint use of facilities for multiple qualified services. The Superintendent of Public Instruction is required to adopt rules that set specific time requirements for usage.

Appropriation: None.

Fiscal Note: Available. Revised fiscal note requested on February 12, 2008.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) School districts faced with declining enrollment have resorted to closing and declaring schools surplus. These facilities are community assets that have served generations of families through the education of their children and as gathering places to form strong bonds between neighbors. Rather than allowing them to remain vacant, or selling them for commercial development, these facilities should remain in the public domain and be reused for maximum community benefit. Historic school buildings are wonderful community assets, but they require accessibility upgrades and capital investments to address deferred maintenance projects. Without state assistance, it will be difficult for organizations to purchase, improve, and become long-term stewards of these properties. This bill provides much needed funding to secure surplus school sites for continued family and community strength. This bill is consistent with the efforts of the interim Joint Legislative Task Force on School Construction Funding that identified community partnerships as a high priority. The

incentive to form community partnerships through an increase in the area cost allowance is appreciated by the Office of the Superintendent of Public Instruction.

The function of school districts is to educate students. The provision that requires school districts to submit a long-term comprehensive plan for community use of school buildings as part of the Study and Survey process is problematic and could be amended. School districts are not experts in community use. Another possible amendment is to allow public investment in open space acquisition and development adjacent to a proposed project to be considered as an allowable non-state match.

(Opposed) None.

Persons Testifying: Representative Kelley, prime sponsor; Ed Medeiros, Phinney Neighborhood Association; Ron English, Seattle Schools; Gordon Beck, Office of the Superintendent of Public Instruction; and Rose Feliciano, City of Seattle.

Persons Signed In To Testify But Not Testifying: None.