

OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION K-12 SCHOOL CONSTRUCTION FUNDING FORMULA & ENROLLMENT STUDY

Work Group Preliminary Recommendations

1.0 IMPROVEMENTS TO INCREASE FORMULA TRANSPARENCY

1.1 More Accurately Name Formula Components

The naming of some formula components is confusing and hinders transparency. "State match" and "match ratio" terms create a disconnect – districts say "we are a 60% (equalization) district, but we actually get 16% (in State funding)." Districts also struggle to explain that discrepancy to voters.

Recommendations:

- "State match" could be called "state contribution," "state funding assistance," or "state share"
- "Match ratio" could be called the "equalization ratio"

1.2 Increase Formula Allowances to Reflect Reality, and Balance Funding Constraints with a State Affordability Factor

The formula could be made more transparent if allocation levels kept pace with true facility sizes and actual costs. Both the area cost allowance (ACA) and the allowable square footage per student are now held artificially low, in order to cap the State's contribution. Allowances that are set at artificially and unrealistically low levels are major contributors to the transparency problem.

Establishing true cost and space allowances would more accurately communicate project requirements. It would also allow school districts to better communicate with voters.

Development of a "State Affordability Factor" that is applied to the true allocation levels would show the State's contribution more directly. Institution of an affordability factor that could change from biennium to biennium would serve to balance increases in the allocation levels for the area cost allowance and allowable square footage. Identification and application of such a factor would also provide more clear recognition that the State cannot fully fund all projects.

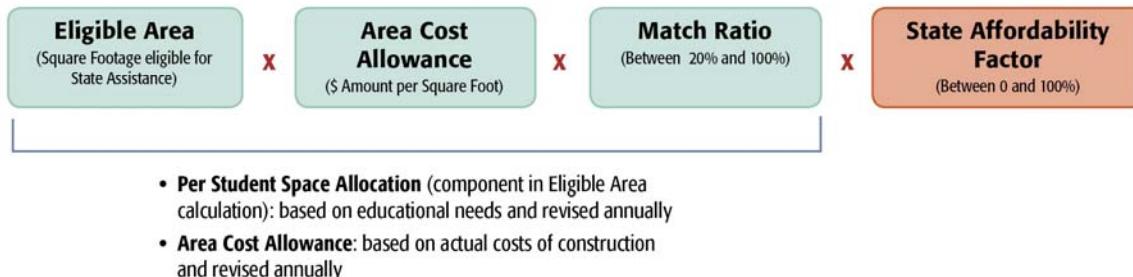
Recommendations:

- Increase the ACA to be based on the true costs of construction, and the allowable square footage per student to be based on actual educational needs. Ensure that these numbers are revised annually to keep pace with reality.
- To keep the level of funding for school construction consistent, introduce a "State Affordability Factor" as an adjustment factor for the funding formula. This factor could be calculated based on available funding and adjusted every biennium.

These concepts are shown graphically in Exhibit 1 below:

Exhibit 1
Funding Formula with Proposed New State Affordability Factor

STATE CONSTRUCTION ASSISTANCE =



1.3 Combine Multiple Funding Formulas

Total construction and modernization project cost is comprised of several components, including construction costs and expenditures such as architectural fees and construction management. The State provides assistance for many construction components; there are more than ten separate grants, each with their own formulas and limits, and approval processes.

Recommendations:

- Combine many of the component formulas together to simplify the process and help with transparency of the program.

1.4 Develop New Communication Protocols, Tools and Materials

The funding formula is complex, as is the SCAGP program. Individual school districts are each trying to explain it to Board members, voters and others in their own way. Providing standardized information and materials that succinctly communicate the formula and program would help generate understanding and transparency. Ongoing communication about the state funding level for school construction, new school openings, and modernized schools is also important.

Recommendations:

A. Develop standard terms and language to describe the program and its funding levels

- Statements that refer to “fully funding” applications for school construction projects obscure the true situation and can be misleading. New standardized language could more accurately describe the situation, and be provided to all stakeholders for use.

B. Develop clear informational materials for school district use

- Succinct, summary-level communication materials that describe the program and funding formula would help generate understanding and transparency, and ensure that consistent and accurate messages are conveyed to the public
- Design and develop a folio or one-page program description, and a simplified program handbook

C. Provide tools that will help school districts replicate the formula calculations

- Some districts reportedly have difficulty replicating how the state calculates their share of funding, using the formula.
- Implement an online grant calculator to help school districts better estimate state funding.

D. Provide information about the outcomes of state funding

- Communication that makes the State's funding program more visible would help increase transparency. This information could include funding levels and releases for school construction, new school openings, and lists of modernized schools.
- Including photos of new and improved schools in communication materials would also increase program understanding

E. Improve OSPI's website to provide readily accessible, summary-level information

- The website provides an opportunity to make descriptive and informational materials, such as FAQs, available both to the school districts and to the public.
- OSPI should undertake a website improvement project, from both content and usability perspectives

2.0 RECOMMENDATIONS FOR OTHER SCHOOL CONSTRUCTION PROGRAM APPROACHES

The Work Group would like to discuss and recommend potential options for revamping the current school construction assistance program and formula.