

State lawmakers consider borrowing against Lottery to build schools

Both parties talk at the Legislature about taking loan against future profits to start adding classrooms

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The Olympian

February 26, 2014 Updated 10 hours ago



FILE - Peggy DeGregory of Olympia checks her lottery tickets at the Safeway on the Yelm Highway in Lacey. (The Olympian file, 2011) PETER HALEY — THE NEWS TRIBUNE

A bipartisan plan for paying for public schools emerged Wednesday in the state House, offering a creative way to pay for \$700 million in school construction by borrowing against \$50 million a year in future state Lottery profits.

The Legislature is under a state Supreme Court order to fully fund schools by the 2017-18 school year, and most talk about school funding has centered on school staffing and operations.

The proposal unveiled Wednesday would help the state meet its duty by providing hundreds of new K-3 classrooms across the state in time for the expected class-size reductions, according to House Capital Budget Committee chairman Hans Dunshee, D-Snohomish, and Rep. Drew MacEwen of Union, the No. 2 Republican on the committee.

“You need those classrooms before those teachers show up” to teach smaller classes, Dunshee said.

“This is not the Democrats’ solution; this is not the Republican solution. This is the right solution,” said MacEwen in a joint press conference at the Capitol.

Under the proposal, which key Senate members said they had not yet seen or studied, grants would be given to districts to build classrooms for all-day kindergarten and for class-size improvements in grades K-3 — with no local match of funds required.

Sen. Jim Honeyford, R-Sunnyside and chairman of the Senate’s capital budget, sounded skeptical, saying said he thinks a modest supplemental capital budget is in order.

Sen. Bruce Dammeier, a Puyallup Republican who has education and budget roles for his caucus, said he is concerned the House plan would take money from the operating budget that now pays for other education needs.

As outlined by House lawmakers, the proposal pledges about \$50 million a year for 20 years from Lottery proceeds that now go into higher-education scholarships. The Lottery revenues have been used for many things over the years – including school construction after voters passed a class-size-reduction measure in 2000.

Dunshee acknowledged that his proposal takes away money now earmarked for school programs but said the Legislature will likely have to figure out next year how to spend an additional \$2 billion on public schools. He said decisions on how to replace the Lottery cash can be done in that larger context and that the money would not be diverted until 2016.

Dunshee also said school districts need more classrooms if they are to be ready for smaller student-to-teacher ratios. He said an informal survey of districts showed, for example, Seattle needing 346 classrooms, Spokane needing 150, Federal Way 109, Clover Park 90, Puyallup 71 and University Place 22.

Remedial math teacher Pam Kruse said her district, Franklin Pierce, has portables at every school and has been unable to pass a bond for new space in more than a decade.

“We’re in portable city,” Kruse said at the press conference. “We have to do what the voters said. We have to lower class sizes.”

The state Supreme Court’s order last month made reference to the construction funding issue, noting estimates from the state Office of the Superintendent of Public Instruction that capital

costs of expanding all-day kindergarten could be \$105 million and that lowering class sizes in grades K-3 could cost \$599 million in construction.

Dunshee and MacEwen have won support for House Bill 2797 in their caucuses. The bill has nine Democratic and nine Republican co-sponsors.

“The bottom line is voters have spoken on this issue when they overwhelmingly passed Initiative 728 in 2000. They agreed that lottery funds should be leveraged to ensure school districts have the space to accommodate the class-size reduction model they have been aiming for,” MacEwen said in a statement.

“This is sort of calling it on McCleary. If you’re not for this, you’re really not for it on the operating side,” Dunshee added.

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