

Ample state funding? Not for school construction

By Jordan Schrader
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Sixth grader Sebastian Friastriana laughs with friends in the packed cafeteria during lunch at Peter G. Schmidt Elementary in Tumwater on Tuesday, Feb. 10, 2015. TONY OVERMAN — Staff photographer

Washington's public schools have paid roughly two-thirds of their operating costs with state money in recent years. That's not enough, the state Supreme Court has ruled in the McCleary case, to comply with the state constitution.

But it is extravagant compared to what the state pays to build those schools.

When most of 58-year-old Peter G. Schmidt Elementary in Tumwater is replaced starting in June, the state is expected to kick in just more than 15 percent of the cost. When 91-year-old Arlington Elementary in Tacoma is fully renovated or more likely replaced starting in 2016, not a dime of state money is expected.

All told, according to state figures, the state pays less than a quarter of capital costs.

"If that came up in front of the McCleary court, they would rule it unconstitutional," said House Appropriations Committee Chairman Ross Hunter, a Medina Democrat.

No one in the Legislature is proposing having the state take over construction funding from local property taxpayers. But there's widespread interest in finding more state money.

A bipartisan group of senators led by Puyallup Republican Bruce Dammeier put forward a bill Monday offering one-time grants for school districts that are adding classes in accordance with state mandates.

In a nod to concerns about legal liability, though, the bill notes that the constitution lets school districts take on debt to finance construction.

The “framers of our constitution envisioned that our local communities should be engaged in helping build the schools. Otherwise they wouldn’t have put the mechanism in there to allow that,” Dammeier said.

Taking on that debt, though, requires a [60 percent supermajority of local voters](#). That high bar keeps many districts from raising their own money for construction or tapping state matching funds.

17-STUDENT CLASSES

Urgency for construction funding comes from a set of laws that promise full funding of several school spending items by the 2017-2018 school year. Enforcing the deadline is the Supreme Court, which has held the state in contempt of court for not making enough progress toward fully funding schools by that year.

The spending items include two that add to pressure for classroom space: an expansion of full-day kindergarten to every school, and shrinking classes in kindergarten, first, second and third grades to 17 students.

Lawmakers took a first step in 2013 toward funding both areas, but they provided extra money only for staff, not for construction.

“We’ve got to make sure we have teachers, and we’ve got to make sure we have classrooms,” Dammeier said.

His plan for the classrooms is contained in [Senate Bill 6080](#), backed by both parties’ capital-budget leaders in the Senate. It would spend \$240 million in bonds in the first two years of a six-year plan that could end up costing more than \$780 million.

The money would be found without taking on new debt, unlike a House proposal last year that sought to borrow against lottery proceeds. Rep. Hans Dunshee, D-Snohomish and an architect of that bipartisan plan, said new funding is needed to keep school construction from competing with other needs, such as college buildings and environmental projects.

New funding would become available for construction if taxes proposed by Democrats for the operating budget are approved, because lawmakers could then borrow against the higher state revenue.

Dammeier's plan calls for school districts to provide matching funds. But the split would be based partly on poverty levels in each district, and Dammeier said some districts' share would be small or even zero.

Both Dunshee and Dammeier say they would require districts to prove their need for classrooms before getting construction funds for all-day kindergarten and class-size reduction.

Randy Dorn, state superintendent of public instruction, counts a need for 5,698 extra classrooms across the state for the elementary-school requirements.

Lawmakers are also trying to figure out how to either pay for or avoid a voter-approved mandate for smaller class size in all grades, last year's Initiative 1351.

SET BY FORMULA

Washington school districts spent \$1.38 billion in the 2012-2013 school year on building projects and other capital expenses, said Gordon Beck, director of school facilities and organization in Dorn's office. Just more than \$330 million of that money, 24 percent, came from state government.

The state share fluctuates and was about 18 percent a few years earlier, Beck said.

If the local spending in those figures is inflated by extras such as stadiums, fancy auditoriums and administration buildings, a more limited set of school construction projects is reflected in the School Construction Assistance Program, the state's main source of construction aid.

The program helps pay for replacement and renovation of older schools and, in school districts with growing student populations, expansion. Over the past three decades, the program has provided more than \$5.5 billion for school projects.

But the last time that was enough to pay for at least half of the projects being funded was 1988. Last year, the program covered 36.5 percent of projects, leaving the rest to be covered by local money.

School-district and state officials say the program calculates its payouts using assumptions that in some cases are questionable or out of date.

For one, it assumes a school needs 90 square feet of space to educate a student in the lower grades, 117 square feet in the middle grades and 130 square feet in the higher grades. Security, technology, accessibility for students with disabilities and other factors have inflated how much room is needed, Bethel School District Superintendent Tom Seigel said.

"All the other things we're expected to do now simply require more space," Seigel said.

But if a district does build more space, the state then figures it has enough – and won't pay for future buildings. That's what has happened to Tacoma Public Schools, which now can't expect state matching funds for 10 of 14 schools being renovated or replaced as part of a 2013 bond measure.

Then there's a state assumption that schools cost \$200.40 per square foot to build as of last year. District officials give widely varying estimates of what they pay, but they agree it's far more. Dorn puts last year's cost at \$270.31.

The state doesn't necessarily provide even that lower amount. It pays between 20 percent and 100 percent, depending on the wealth and enrollment growth of the district.

A majority of the Senate has signed on to a proposal by Sen. Jamie Pedersen, D-Seattle, to raise the bottom of that range to 30 percent while tying the money provided for each square foot of space to actual costs. [Senate Bill 5859](#) also incorporates a recommendation by Dorn to raise the square footage to 140 square feet in the lower grades, 155 in the middle grades and 165 in the higher grades.

Dammeier expects the funding formula won't change during the current 105-day legislative session but instead will be studied after the session is over.

The way the formula plays out can be seen in the Tumwater School District, which convinced voters to pass a bond measure last year to raise \$136 million. The district expects that to be matched with just \$10.4 million in state money.

If that match had been greater? "We could have asked the voters for a smaller amount of bond money," said Mel Murray, capital projects and construction supervisor.

LEGAL RESPONSIBILITY?

Washington's state constitution calls it "the paramount duty of the state to make ample provision for the education of all children."

The constitution says the public school system must be "uniform." Dorn said that requires a "level playing field" that doesn't disadvantage property-poor school districts.

"Now the state is requiring more space," Dorn said of new class-size and graduation requirements. "I think the state definitely has more responsibility ... than they had in the past."

Senate Education Committee Chairman Steve Litzow, who has signed on to Pedersen's bill, agrees the state needs to do more for school construction. But Litzow said construction doesn't rise to the level of "basic education" – which the state must fund in full and the Legislature has defined in detail.

“In our definition of basic education, capital’s not part of it,” said Litzow, R-Mercer Island.

The definition does set class sizes at specific levels. The state Supreme Court affirmed, in an order in the McCleary case, that the state’s promise to shrink classes comes with responsibility for both operating and capital money.

“Smaller class sizes also require more classrooms,” the court wrote.

Pedersen, a lawyer, said he doesn’t see any constitutional basis for treating capital spending differently.

“It seems likely to me the next shoe to drop from a legal perspective,” he said, “will be litigation challenging the state’s failure to fund school construction spending.”

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