



# Bipartisan School Construction Plan

**Capital Budget**  
**Reps. Hans Dunshee,**  
**Drew MacEwen**  
Olympia, WA February 26, 2014

## **\$700+ Million Capital Budget Spending Required (McCleary Supreme Court Order, 1/9/14)**

“The plaintiffs cite OSPI’s 2013 Facilities Capacity Report to note that school districts are strapped for the physical space to meet these goals. Pls.’ Resp. at 32,36. OSPI estimates that additional capital expenditures are required of approximately \$105 million for full-day kindergarten and \$599 million for K-3 class-size reduction by 2017-18. *Id.* Make no mistake, enhanced funding for full-day kindergarten and class-size reduction is essential, but the State must account for the actual cost to schools of providing these components of basic education. We recognized long ago that the paramount duty to amply fund education under article IX, section 1 must be borne by the State, not local school districts. *See generally Seattle Sch. Dist. No. 1 v. State*, 90 Wn2d 476, 536-37, 585 P.2d 71 (1978).”

## Full-Day Kindergarten & K-3 Class-Size Reduction Implementation Schedule

| School Year  | 2011-12                | 2012-13                 | 2013-14              | 2014-15              | 2015-16              | 2016-17              | 2017-18      |
|--|------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|--------------|
| Full-Day Kindergarten must be fully funded statewide by 2017-18<br>Phase-in based on FRPL    | More funding can begin | More funding must begin | Continues to ramp up | Continues to ramp up | Continues to ramp up | Continues to ramp up | Fully Funded |
| K-3 Class-Size Reduction must be fully funded statewide by 2017-19<br>Phase-in based on FRPL | More funding can begin | More funding must begin | Continues to ramp up | Continues to ramp up | Continues to ramp up | Continues to ramp up | Fully Funded |

Source: OSPI Report to the Legislature – Educational System Capacity to Accommodate Increased Resources 2012, February 2013, Page 7, Table 1



## A Sampling of School Districts & Additional Classrooms Needed

| School District  | Additional classrooms needed | School District     | Additional classrooms needed |
|------------------|------------------------------|---------------------|------------------------------|
| Seattle*         | 346                          | Renton**            | 42                           |
| Lake Washington* | 180                          | Richland***         | 32                           |
| Spokane**        | 150                          | Peninsula*          | 29                           |
| Pasco***         | 123                          | Kent**              | 28                           |
| Vancouver**      | 120                          | Burlington-Edison** | 24                           |
| Highline**       | 112                          | Mount Vernon*       | 23                           |
| Federal Way**    | 109                          | Toppenish***        | 23                           |
| Tahoma**         | 103                          | University Place*   | 22                           |
| Auburn*          | 95                           | Marysville**        | 20                           |
| Yakima***        | 93                           | Ephrata***          | 20                           |
| Mukilteo**       | 91                           | Orting***           | 19                           |
| Clover Park *    | 90                           | Central Valley***   | 18                           |
| Bellingham*      | 89                           | Mercer Island***    | 16                           |
| Kennewick***     | 85                           | Castle Rock***      | 13                           |
| North Shore*     | 80                           | Grandview***        | 13                           |
| Puyallup**       | 71                           | Moses Lake***       | 13                           |
| Issaquah*        | 64                           | Centralia***        | 12                           |
| Lake Stevens*    | 55                           | Granger***          | 12                           |
| Edmonds**        | 54                           | Camas***            | 11                           |
| Battleground***  | 44                           | Bremerton**         | 9                            |
| Snohomish*       | 43                           | Bainbridge Island** | 6                            |
|                  |                              | Central Kitsap***   | 5                            |

Sources: \*OSPI phone survey, \*\*legislators contacting districts; may not be based on 90 sq. ft.; \*\*\* OSPI draft information based on 90 sq. ft.

## Classrooms for Full-Day Kindergarten & K-3 Class-Size Reduction

- \$700 million in bonds backed by lottery revenue for grants to school districts to build classrooms for full-day kindergarten and K-3 class size reduction.
- Lottery revenue covers debt service starting in 2016.
- Simple majority vote required by the legislature.
- I 728 passed by 71.7% in 2000, in all counties.
  - ✓ Lottery revenues were dedicated to education construction for “providing improvement or additions to facilities to support class size reductions...”

# How the Grant Program will work

## **OSPI to administer grants:**

- ✓ Criteria of unhoused K-3 students based on 90 sq. ft. space per student to meet McCleary requirement.
- ✓ No match required from school districts.
- ✓ Funds to be used for building additions / renovations, modular construction, portables.



## Four states sell lottery-backed bonds:

**Florida:** AAA (S&P)

**West Virginia:** AAA (S&P)

**Oregon:** Aa2 (Moody's)

**West Virginia:** A1 (Moody's)

- ✓ “Florida and Oregon are among four U.S. states that have sold \$5.5 billion in bonds backed by cash from games of chance, mostly to fund school construction, said Natalie Cohen, a senior analyst at Wells Fargo & Co. who wrote a report on lottery revenue this month.” “Lottery Securities Beating AAA Provide Winning Bet: Muni Credit”, *Bloomberg News, April 16, 2012*.
- ✓ “A handful of states have used lottery revenues to secure bonds (notably Arizona, Oregon, West Virginia and Florida), and some states fund the bulk of school construction with these proceeds. These securities have strong legal provisions and high ratings.” “Dream Big: Lotteries and the States”, *Wells Fargo Securities, April 4, 2012*.