ATTENDEES: Kathleen Anderson, Tom Bates, Bob Douthitt, Patty Minihan, Michelle Price, Ray Vefik, Susan Weed
OSPI STAFF: Kim Beaulieu, Gordon Beck, JoLynn Berge, Tom Carver, Randy Dorn, Randy Newman,

WELCOME AND INTRODUCTIONS, ALL
The roundtable discussion included a brief introduction of those in attendance.

2015-17 BIENNIAL CAPITAL BUDGET REVIEW, RANDY DORN
The upcoming session was discussed and the challenges facing the Legislature, particularly with the initiative on the ballot this fall.

The next biennium runs July 1, 2015–June 30, 2017; proposals are due to the Governor’s office September 2014. The School Construction Assistance Program (SCAP) and K-3 Class-size Reduction proposals are the top two priorities.

Discussion Included:

- Increasing the Student Space Allocation (SSA) is vital in order to provide districts with the funding necessary to meet the standards that schools are being built to today.
- Districts need to turn in their inventory in order to help make the SSA increase a reality. More data means more funding; no data, no funding.
- Class-size reduction would be a positive for districts; the legislature would have to increase revenue to cover the approximately 2 billion dollars in funding needed.
- Many districts will need to build additional schools to meet the K-3 Class-size reduction if class-size isn’t adjusted.
- There should be qualifying factors regarding Class-size reduction, there are variables involved. Some schools are achieving success with a 21:1 FTE, but some schools need the 17:1 FTE. The ratio should vary based on need.
- Class-size reduction needs to happen in order to achieve student success.

SCAP AND SCAP FUNDING DRIVERS, RANDY NEWMAN AND GORDON BECK

SEE POWERPOINT
The number one priority is the School Construction Assistance Program (SCAP). The question is to increase the SSA to levels (140 sq. feet) districts need to offer Full-Day Kindergarten and
meet the K-3 class-size reduction target of 17:1 in response to the McCleary order, as well as increasing the Construction Cost Allowance to reflect the actual cost of construction.

Discussion Included:

- The Annual Survey was sent to districts to help determine what is needed to achieve the 17:1 ratio. To date, more than 75% of districts have responded and over 50,000 classrooms counted.
- There is concern that funding could be taken away from modernization in order to meet the new construction funding needs of K-3 class-size reduction; this issue has not been brought up as a funding solution.
- The term Enhanced needs to go away. It’s not enhanced; it’s the standard.
- Increasing the SSA to 140 square feet per student was well-received. The numbers are heading in the right direction.
- Districts do not trust the state and do not plan to reduce the physical size classrooms are being built to. Even if the ratio drops to 17:1, districts feel the state will change their minds down the road and they do not want to have to spend more money to re-build bigger classrooms.
- Concern expressed that the Legislature does not understand the difference between construction cost vs. total cost of construction. The Legislature needs to understand that the CCA only represents the construction cost at the time of bid. It does not include soft costs, but does factor in state sales tax, which brings down the total amount funded. (Slide 13 is a representation of construction cost at time of bid, does not include soft costs.)
- The Legislature should be made aware of what the national data is.
- Districts would be better off if the Legislature admitted they are not providing enough money so the public understands.
- Districts are only getting a certain amount of money from the state to help. It’s not meant to fully fund projects; it’s meant to help projects. The public needs to know this.
- Districts do not all get the same match; explaining inequities to the public is difficult.

K-3 Class-Size Reduction, Randy Newman and Gordon Beck

See PowerPoint

For the 2015-17 Capital Budget Proposal, we will request that the new funding allocation provide 100% state funding for needed classrooms to offer Full-Day Kindergarten and meet the K-3 class size reduction target of 17:1 by the 2017-18 school year. Districts will need to qualify for this new allocation.

Discussion Included:

- Disapproval towards the term 100% funding. It is confusing and misleading. It is the state’s contribution, but not a 100% fully funded project. Acknowledge up front what the funding is and what it isn’t. It may cover the construction of the classroom, but it does not cover the cost of other things. Take away the term 100% because it is not the reality.
• The 100% funding term could be redefined as base costs, or state that ancillary costs are not covered to help make it clear.
• When you add on space to other buildings (modernization) it triggers other funding issues. In terms of K-3 class-size reduction, adding more space inevitably triggers more building code issues: additional bathrooms, fire alarms, sprinklers, etc.
• Concern was addressed over some schools not being capable of expansion (maximized acreage, limits of the septic system, local code restrictions, etc.)
• Attendance boundary adjustments will have to be made when districts have site constraints.
• Reiteration in lack of faith towards the state remaining at the 17:1 ratio. Districts are frustrated with the state and the public is frustrated with the districts.

OTHER FUNDING PROPOSALS, RANDY NEWMAN AND GORDON BECK
SEE POWERPOINT
In addition, other proposals will include funding for Local Assistance Grants, School Security Grants, Skills Centers Facilities, Energy Grants, and a new RCW for School Facility Reporting.

Discussion Included:

• Concern expressed over Local Assistance Grants. If one district passes a bond and the district next door gets a grant, what would be the incentive for voting for the next bond when failing may make the district eligible to receive a grant?
• The Local Assistance Grant is meant to assist small school districts with failing/decrepit buildings who have no ability to pass a bond.
• Include in the policy for Local Assistance Grants that districts have to have tried (and failed) to pass 3 bonds within a 5 year time frame before becoming eligible. There is support for this proposal, but concern that it is the wrong incentive.

CLOSING COMMENTS, ALL

• Very informative meeting.
• All present would like to be kept in the loop with periodic updates as this moves through the process.
• Association and committee members will be invited to attend hearings and voice their needs.
• Unanimous support of the SSA increase.
• Unclear of the total dollar amounts.

Action Item: Share with the committee in September, before the legislative conference, a 1-2 page summary of where the Superintendent’s budget ends up.

Meeting Adjourned