Citizen’s Advisory Panel Meeting (CAP)
Puget Sound ESD – Nisqually Room
June 26, 2014  9:30 a.m.–12:30 p.m.

Meeting Minutes-Draft

WELCOME AND INTRODUCTIONS, ALL
The roundtable discussion included a brief introduction of the members.

HISTORY OF THE CAP, GORDON BECK
Gordon gave a brief introduction regarding the Citizens Advisory Panel (CAP) and the School Construction Assistance Program (SCAP).

CAP Comments/Questions

- Why do Seattle schools typically fall far below the average match? Typically only 5-8%. It’s a combination of reasons driven from the SCAP formula calculations unique to Seattle such as the Funding Assistance Percentage (they are a 20% district) and the “under-funding” by the legislature of the Construction Cost Allocation (CCA) and the Student Space Allocation (SSA) for square footage.
- Is it a suburban and rural issue vs. urban? Answer: not necessarily. Many small districts aren’t able to qualify because they can’t pass a bond issue or don’t offer a bond issue (See Slide 27). Also, because of the methodology for the Funding Assistance Percentage (FAP) many small, rural districts have a low FAP.

2015-17 BIENNIAL CAPITAL BUDGET REVIEW, RANDY NEWMAN AND GORDON BECK

See PowerPoint
The next biennium is July 1, 2015– June 30, 2017; proposals are due to the Governor’s office in September 2014. Session will run 105 days (January–April 2015). At this point the OSPI School Facilities and Organization is considering submitting 9 different budget proposal packages to the Superintendent for his consideration and submittal. These are the proposals we’re asking you (CAP) to weigh in on:

CAP Comments/Questions

- Great concern regarding the Eligible Area (see Slide 9). The Space Allocation is nowhere near close enough to meet the realistic square foot needs per student. The funding numbers are “formula restrictors” and schools fail when they build to these legislative standards.
- Are schools who buy old warehouses and modernize them able to get funding? The government should be rewarding building solutions like this. Answer: The rules are complicated, but SCAP funding is not available initially but it is possible if they follow the rules which includes waiting 30 years they would be eligible to modernize.
• Is this a matter of tailoring the funding formula to meet the probable budget or is there a genuine conviction that these are realistic numbers in regards to school construction? Does anyone believe this actually works? Answer: It doesn’t appear from the past 14 years or so that the Legislature wants to recognize the SSA and CCA as anything more than funding numbers and as such they then do not represent realistic numbers.

• The current formula creates disincentives for creative design (such as modernizing an old warehouse). It is antiquated and unrealistic. Need opportunities for districts to be creative and get more out of their limited capital budgets.

• Has OSPI ever gone to the Legislature and made it clear to them that 95% of school districts can’t meet these guidelines? Answer: Yes. The legislature has even convened multiple Task Forces over the years (most recently, the Joint Legislative Task Force on School Construction 2007-2010). Unfortunately, the most notable result was that they felt the rules were too complex and needed to be made more understandable “transparent”. The result led to changes to the funding driver names. Interestingly, though, their #1 finding was that when we (the legislature) make operating decisions that we (the legislature) must consider the consequences on the capital funding side.

• Appreciation was expressed regarding the detailed/comprehensive explanation of how the funding formulas work, even though the information is disappointing.

*Action Item 1:* Include Graph of past funding (Classroom funding vs. built) in next presentation.
*Action Item 2:* Add Student Population to Bond Measure Graph (How many students impacted).

**2015-17 McCleary and K-3 Class Size Reduction in 2015-17 Budget Proposals, Randy Newman and Gordon Beck**

*See PowerPoint*

A January 2014 court order of the McCleary decision (*Slide 17*) was the first time school facilities were identified as part of basic education and capital funding a state responsibility.

**CAP Comments/Questions**

• Meeting the needs of full day kindergarten is too much of a burden on districts. The operating costs will skyrocket without the capital funds for facilities.

• Are facilities costs included in the McCleary decision? Answer: Yes, it appears so. Also, one potential quick solution to meet the needs that the legislature is looking at is modular construction.

• Not all districts can use modular buildings (Seattle, for example). Need to adapt to local conditions; one size fits all does not work. Access to state funds with flexibility is needed.

**Local Assistance Grants in 2015-17 Budget Proposals, Randy Newman and Gordon Beck**

*See Presentation*

This proposal is for school districts that can’t pass a bond or are unable to pass one. This is a $50
million grant program to provide funding for all local costs associated with a school construction or modernization project eligible for funding under the proposed SSA funding drivers of the SCAP.

**CAP Comments/Questions**

- Great concern for districts who can’t pass bonds and qualify for zero funding.
- If we’re going to make funding school facilities increasingly a part of the state’s obligation and we have districts that are virtually non-viable, that has to be examined.
- How does consolidation figure into this model? We have to move to a regional model for a lot of these issues that need to be addressed. And if every small district wants to build a standalone elementary, middle, and high school, or some version thereof, and they want the taxpayers to pay for it, I’m sympathetic to the difficulties in the rural environment, but Seattle gets about 30 cents on the dollar for taxes collected in the city of Seattle and state capital match that comes back for education, but the rest of it goes elsewhere. It’s a large subsidy that Seattle is paying.

**SCHOOL SECURITY GRANTS 2015-17 BUDGET PROPOSALS, RANDY NEWMAN AND GORDON BECK**

*See Presentation*

New $3 million grant program to continue funding security technology which enhances school security and increase and support law enforcement response.

**CAP Comments/Questions**

- Frustrated by unfunded mandates. The Legislature requires districts to have enhancements to benefit students but don’t provide enough funding to cover these mandates.

**ENERGY GRANTS 2015-17 BUDGET PROPOSALS, RANDY NEWMAN AND GORDON BECK**

*See Presentation*

$10 million funding request focused on new grant criteria established by OSPI to provide grant funding opportunities for school districts to do energy savings systems improvements and for training of district facilities staff on how to efficiently operate their building systems to generate greater savings.

**CAP Comments/Questions**

- How are the proposals evaluated? Answer: 7 competitive rounds, each round had different criteria. A big factor is that it uses a unique public works procurement process that is designed around guaranteed performance contracting.
• The Governor has a major Greenhouse Gas proposal and this may be a way to participate in it at the school level. Seattle was able to reduce tons of carbon by adopting the conservation policies, and saved money as well.
• Is there proof of savings? Answer: Yes, but monitoring and verification is on-going and reporting has been sporadic. This new grant would also require monitoring and verification, and reporting the results.

Action Item: Would be helpful to have a map of all districts in the state that have received energy grants.

Closing Comments

• Presentation was excellent. Very informative.
• Would like to see more graphs and charts of funding history; what has the state been paying for?
• Would also like to see information regarding sizes and classroom information that could show what’s actually being built to what’s being funded, and show the extreme differences between the two; to show to the Legislature that the formula isn’t working.