

## Current Funding Formula Policy Principles

When the current school construction program was being developed by the State Board of Education, including the D-form process, the priority system and the now changing reconstruction rules, space standards and state recognized costs, the board relied on a vision and a set of policy principles to define the relationship between the state and local districts for the provision of school facilities to support the delivery of K-12 school programs.

There has now been some fifteen years since the system was designed and the relationship of the state and local districts has evolved. It seems reasonable to examine the policy principles and determine if changes to them are appropriate to better reflect the current operational practices.

The principles can be summarized as follows:

1. Balance. Balance state and local interests and obligations.
2. Ownership. Ownership is vested in local school districts.
3. Validation. Building needs are locally validated with bond levies.
4. Equalization. The state will help with local tax burden/geography/growth.
5. Neutrality. Minimize influence of regulation on local building decisions.
6. Timeliness. Predictability of project progress and state funding.
7. Priority. A system acceptable to both the state and local districts.

## Local School Construction Funding Expert Panel

**Background** – *The Joint Legislative Task Force on School Construction Funding is in the process of formulating potential recommendations on changes to the school construction funding system. It is anticipated that the recommendations will be phased in over several biennia and therefore likely will involve more immediate (and potentially smaller) changes and ones that are more global in nature.*

*The task force would like additional input from the “on the ground” practitioners on the highest priority areas and potential deficiencies in the current system. In other words, given the need to phase-in over several years, they want to hear about what should be focused on first and the potential implications from the people closest to the issue. Some example questions are posed below. It would be helpful if your comments could address these issues in some fashion.*

### Discussion Questions

- 1) On balance, to what level is an increased state funding share worth in terms of increased state oversight and direction on specific projects?
- 2) While it would be nice if all the identified needs could be addressed for all school districts, given resource and other constraints, what should be focused on first? For example, is your sense that the need is more pronounced in school districts that can not pass bonds and therefore access the state’s school construction assistance formula or is the need more pronounced in another particular group of school districts? If the latter, what specifically makes these school districts more needing of assistance?
- 3) Local validation of need through a bond election appears to be too high a bar to clear for some districts for a variety of reasons. If so, how and when should the state intervene when buildings become dangerous or inadequate?
- 4) The state helps equalize local burden with the match ratio calculation and helps anticipate growth with projected enrollment growth eligibility. How else can the state modify these factors and/or are there other factors to consider when the state attempts to equalize local effort?
- 5) Neutrality and deference to local school district decisions on a building program can sometimes be in conflict with statewide program goals as related to graduation standards, program content and course offerings. How can the state assist districts in implementing initiatives like reduced class size, full time kindergarten, and increased math and science lab instruction?
- 6) Timeliness, as embodied in the timelines of the D-form process, does provide a measure of demand predictability to the state in setting capital budget levels. Is there a less cumbersome way for districts to predict needed funding levels with an accuracy level that would allow state budget deliberations to work for all the various other programs and agencies?
- 7) The current priority system has not been tested with a sustained funding shortfall in the assistance program. The one operational aspect is the once a year, July 1<sup>st</sup> release. What would be the impact of a removal of the once a year state funding process? If there was a funding shortfall for an extended period, what should the state consider as the most important factors in allocating scarce funding to districts?

- 8) Besides funding increases, are there statutory or other constraints that could be removed that would improve the school construction process and/or allow better types of school facilities to be built?
- 9) What are other principles and/or factors the state should be examining in setting forth its vision of how it can assist districts in the provision of K-12 facilities that actively support modern school programs?