

SENATE JOINT RESOLUTION NO. 88

Continuing the Select Committee of the Senate Committee on Finance, the House Committee on Appropriations, and the Commission on Equity in Public Education Studying Alternative Methods of School Construction and Renovations Funding for the Commonwealth's School Divisions.

Agreed to by the Senate, March 4, 1996

Agreed to by the House of Delegates, February 29, 1996

WHEREAS, after examining school construction issues and funding mechanisms and making recommendations to the General Assembly, the Select Committee of the Senate Committee on Finance, the House Committee on Appropriations, and the Commission on Equity in Public Education Studying Alternative Methods of School Construction and Renovation Funding for the Commonwealth's School Divisions is more concerned than ever about the disturbing condition of Virginia's public school buildings; and

WHEREAS, among the disquieting facts related to public school building conditions is that, to satisfy class size or space needs, approximately half of Virginia's schools use trailers as temporary classrooms—environments which are not conducive to learning, are not energy efficient, and cannot accommodate technology; and

WHEREAS, almost half of the Commonwealth's schools are over 30 years old, and an estimated 68 percent of our state's schools need major renovation or replacement; and

WHEREAS, because nearly 90 percent of all Literary Fund revenues were transferred to fund teacher retirements from 1992 to 1994, many construction projects remained on the waiting list for more than two years before being funded; and

WHEREAS, the teacher retirement transfers and other school-purpose transfers of Literary Fund money meant that no direct loans were made from the Literary Fund from January 1991 until April 1995; and

WHEREAS, without direct loans, the Virginia Public School Authority (VPSA) Reserve Fund was not replenished to provide additional capacity for the VPSA's traditional loan program, resulting in the VPSA Board declaring the traditional loan program closed in September 1993; and

WHEREAS, in order to avoid a complete lack of low-cost school construction loans, the General Assembly authorized the VPSA to issue moral obligation bonds of not more than \$500 million; and

WHEREAS, during the 1995 Session, the committee recommended and the General Assembly approved an increase in the cap on the moral obligation bond resolution from \$500 million to \$800 million and the restoration of the maintenance supplement; and

WHEREAS, the steps that have been taken to revive the Literary Fund's capacity enabled funding this year of interest rate subsidies totaling \$40.7 million for 25 projects and \$23.2 million in direct loans for 11 projects; and

WHEREAS, technology equipment projects were provided with interest rate subsidies, thereby enabling many school divisions to purchase needed equipment through short-term bonds; and

WHEREAS, the Commonwealth has made a commitment to improve access to educational technology as a means of providing equal educational opportunities and ensuring that Virginia's children receive training designed to enable them to compete and excel in the world market; and

WHEREAS, educational technology is evolving quickly, making it difficult to maintain quality, effective programs and to remain current; and

WHEREAS, innovative configurations of regular school attendance and distance learning through educational technology must be evaluated as a means to reduce school overcrowding and the magnitude of school divisions' building programs; and

WHEREAS, Virginia has reached a point where issues related to school construction, renovation, and retrofit have converged with issues related to educational technology and the role of educational technology in improving achievement and remediating problems caused by increases in the school-age population; and

WHEREAS, as the new standards of learning and their subsequent higher academic standards are implemented, it is particularly important to the Commonwealth that solutions to its school construction issues be developed because, among the many important things learned in the committee's study, was that building condition can be correlated with student performance as substantiated by a study conducted of rural Virginia high schools; and

WHEREAS, although the committee believes that it has taken some preliminary remedial steps, the members are convinced that only a formal commitment to a long-range solution will be effective in resolving a reported \$1 billion unmet capital financing need in school construction; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Select Committee of the Senate Committee on Finance, the House Committee on Appropriations, and the Commission on Equity in Public Education Studying Alternative Methods of School Construction and Renovation Funding for the Commonwealth's School Divisions be continued. The current membership of the committee shall continue to serve. Any vacancies shall be filled by the relevant appointing authority as appropriate in accordance with the provisions of House Joint Resolution No. 250 and Senate Joint Resolution No. 131 of 1994. Staff support shall also be provided as set forth in HJR No. 250 and SJR No. 131 (1994).

In its deliberations, the committee shall concentrate on mechanisms for assisting school divisions with large debt service burdens—an ongoing operating expense which is not shared by the Commonwealth. The committee shall also examine: (i) mechanisms for assisting localities with heavy debt service burdens resulting from school construction programs; (ii) educational technology retrofit and installation issues and possible implementation of pilot projects combining regular school attendance with distance learning from the home; (iii) the impact on the Literary Fund of diverted revenue streams, e.g., parallel fines, civil penalty statutes, and forfeiture provisions; (iv) the effectiveness of other states' construction funding mechanisms; (v) mechanisms for assisting school divisions with building plans; (vi) energy conservation projects and their impact on the educational environment; (vii) ways to enhance Virginia's present school construction funding mechanisms, i.e., the Literary Fund and the Virginia Public School Authority; and (viii) such other matters as the committee may deem appropriate. In its study, the committee shall consult with at least three division superintendents who have experience with school construction.

All agencies of the Commonwealth shall assist the committee as it deems necessary. The committee shall submit its findings and recommendations to the Governor and the 1997 Session of the General Assembly in accordance with the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

The direct costs of this study shall not exceed \$ 4,050.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.