S-3132.1

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**SENATE BILL 5487**

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**State of Washington 67th Legislature 2022 Regular Session**

**By** Senators Hawkins, Pedersen, Braun, Frockt, Hasegawa, Hunt, Keiser, Mullet, Nobles, and Wagoner

AN ACT Relating to small school district consolidation incentives for infrastructure enhancement and modernization; amending RCW 28A.525.166; adding a new section to chapter 28A.315 RCW; and making an appropriation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  A new section is added to chapter 28A.315 RCW to read as follows:

(1) To encourage efficient administration in the delivery of K-12 education, qualifying school districts are eligible for a consolidation incentive in the form of enhanced state funding assistance for infrastructure enhancement and modernization.

(2) To qualify for a consolidation incentive, two or more whole school districts with contiguous territory must reorganize to form a new school district pursuant to RCW 28A.315.235. At least one of the participating school districts must have 1,000 or fewer full-time equivalent students enrolled at the time the consolidation is approved.

(3) Upon consolidation, the new school district's computed state funding assistance percentage as calculated under RCW 28A.525.166 must be increased by 10 percentage points, not to exceed 100 percent, for 10 consecutive years.

(4) The office of the superintendent of public instruction must administer consolidation planning grants to eligible districts and provide technical assistance as needed within appropriations for this purpose. Districts seeking consolidation planning grants must provide a brief statement describing the efficiencies that the school district intends to realize through consolidation, as well as any barriers to consolidation that the school district can identify. If applications for consolidation planning grants exceed funds available, the office of the superintendent of public instruction must prioritize planning grants for school districts with the fewest enrolled students.

**Sec.**  RCW 28A.525.166 and 2015 3rd sp.s. c 3 s 7018 are each amended to read as follows:

Allocations to school districts of state funds provided by RCW 28A.525.162 through 28A.525.180 shall be made by the superintendent of public instruction and the amount of state funding assistance to a school district in financing a school plant project shall be determined in the following manner:

(1) The boards of directors of the districts shall determine the total cost of the proposed project, which cost may include the cost of acquiring and preparing the site, the cost of constructing the building or of acquiring a building and preparing the same for school use, the cost of necessary equipment, taxes chargeable to the project, necessary architects' fees, and a reasonable amount for contingencies and for other necessary incidental expenses: PROVIDED, That the total cost of the project shall be subject to review and approval by the superintendent.

(2) The state funding assistance percentage for a school district shall be computed by the following formula:

The ratio of the school district's adjusted valuation per pupil divided by the ratio of the total state adjusted valuation per pupil shall be subtracted from three, and then the result of the foregoing shall be divided by three plus (the ratio of the school district's adjusted valuation per pupil divided by the ratio of the total state adjusted valuation per pupil).

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | District adjusted | Total state |  |  |
|  |  | 3-valuation | ÷ | adjusted valuation |  |
| Computed |  | per pupil |  | per pupil |  | State |
| State | = |   | = - % | Funding |
| Ratio |  | District adjusted | Total state |  | Assistance |
|  |  | 3+valuation | ÷ | adjusted valuation |  |
|  |  | per pupil |  | per pupil |  |  |

PROVIDED, That in the event the state funding assistance percentage to any school district based on the above formula is less than twenty percent and such school district is otherwise eligible for state funding assistance under RCW 28A.525.162 through 28A.525.180, the superintendent may establish for such district a state funding assistance percentage not in excess of twenty percent of the approved cost of the project, if the superintendent finds that such additional assistance is necessary to provide minimum facilities for housing the pupils of the district.

(3) In addition to the computed state funding assistance percentage developed in subsection (2) of this section, a school district shall be entitled to additional percentage points determined by the average percentage of growth for the past three years. One percent shall be added to the computed state funding assistance percentage for each percent of growth, with a maximum of twenty percent.

(4) In addition to the computed state funding assistance percentage developed in subsection (2) of this section, a new school district formed through consolidation pursuant to section 1 of this act is entitled to 10 additional percentage points for the next 10 consecutive years. No school district may receive additional percentage points under this subsection (4) that cause the district's total computed state funding assistance percentage to exceed 100 percent.

(5) In computing the state funding assistance percentage in subsection (2) of this section and adjusting the percentage under subsections (3) and (4) of this section, students residing outside the school district who are enrolled in alternative learning experience courses under RCW 28A.232.010 shall be excluded from the count of total pupils. In lieu of the exclusion in this subsection, a district may submit an alternative calculation for excluding students enrolled in alternative learning experience courses. The alternative calculation must show the student headcount use of district classroom facilities on a regular basis for a reasonable duration by out-of-district alternative learning experience students subtracted by the headcount of in-district alternative learning experience students not using district classroom facilities on a regular basis for a reasonable duration. The alternative calculation must be submitted in a form approved by the office of the superintendent of public instruction. The office of the superintendent of public instruction must develop rules to define "regular basis" and "reasonable duration."

((~~(5)~~)) (6) The approved cost of the project determined in the manner prescribed in this section multiplied by the state funding assistance percentage derived as provided for in this section shall be the amount of state funding assistance to the district for the financing of the project: PROVIDED, That need therefor has been established to the satisfaction of the superintendent: PROVIDED, FURTHER, That additional state funding assistance may be allowed if it is found by the superintendent, considering policy recommendations from the school facilities citizen advisory panel that such assistance is necessary in order to meet (a) a school housing emergency resulting from the destruction of a school building by fire, the condemnation of a school building by properly constituted authorities, a sudden excessive and clearly foreseeable future increase in school population, or other conditions similarly emergent in nature; or (b) a special school housing burden resulting from projects of statewide significance or imposed by virtue of the admission of nonresident students into educational programs established, maintained and operated in conformity with the requirements of law; or (c) a deficiency in the capital funds of the district resulting from financing, subsequent to April 1, 1969, and without benefit of the state funding assistance provided by prior state assistance programs, the construction of a needed school building project or projects approved in conformity with the requirements of such programs, after having first applied for and been denied state funding assistance because of the inadequacy of state funds available for the purpose((~~,~~)); or (d) a condition created by the fact that an excessive number of students live in state owned housing((~~,~~)); or (e) a need for the construction of a school building to provide for improved school district organization or racial balance((~~,~~)); or (f) conditions similar to those defined under (a), (b), (c), (d), and (e) of this subsection, creating a like emergency.

((~~(6)~~)) (7) For the 2015-2017 biennium, schools determined to have a lack of sufficient space to provide science classrooms or labs, to meet the requirements of law, have a special housing burden condition similar to those defined under subsection ((~~(5)~~)) (6)(b) of this section, creating a like emergency. For the 2015-2017 biennium, school districts are entitled to additional percentage points for school construction projects that have a special housing burden condition only and have received private donations in the form of cash, in-kind, or equipment of more than one hundred thousand dollars. The additional percentage points are determined by (a) school district student enrollments in the free and reduced-price meals program, (b) school district class as defined by RCW 28A.300.065, and (c) the funding assistance percentage as calculated in subsection (2) of this section. The additional percentage points under (a) of this subsection are twenty percent of the percent of student enrollments eligible and enrolled in the free and reduced-price meals program. The additional percentage points under (b) of this subsection are ten for second class school districts. The additional percentage points under (c) of this subsection are ten for school districts with funding assistance percentages of more than fifty percent.

NEW SECTION. **Sec.**  The sum of $200,000, or as much thereof as may be necessary, is appropriated for the fiscal biennium ending June 30, 2023, from the common school construction fund to the office of the superintendent of public instruction for the purposes of administering consolidation planning grants to assist school districts in accessing consolidation incentives for infrastructure enhancements and modernization.

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