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**SUBSTITUTE SENATE BILL 6002**

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**State of Washington**

**62nd Legislature**

**2012 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Kilmer, Parlette, Morton, and Shin)

READ FIRST TIME 01/30/12.

1       AN ACT Relating to adjustments to the school construction  
2 assistance formula; amending RCW 28A.525.162; reenacting and amending  
3 RCW 28A.525.166; creating a new section; and declaring an emergency.

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

5       NEW SECTION.   **Sec. 1.** The school construction assistance funding  
6 formula is used to determine state funding contributions to school  
7 construction projects. It is the intent of the legislature that the  
8 formula use the most accurate method available to reflect the actual  
9 number of students using districts' school facilities. State funding  
10 currently provides all-day kindergarten for over twenty percent of  
11 kindergarten students and RCW 28A.150.315 calls for the continued  
12 phasing-in of all-day kindergarten each year until full statewide  
13 implementation is achieved in the 2017-18 school year. In addition,  
14 because alternative learning experience programs of education take  
15 place in whole, or in part, outside the regular classroom setting, and  
16 because online alternative learning experience programs are delivered  
17 primarily electronically using the internet or other computer-based  
18 methods, it is appropriate to consider the impact of alternative  
19 learning experience students in assessing school space needs. The

1 legislature acknowledges the review of the formula conducted by the  
2 office of the superintendent of public instruction and accepts many  
3 recommendations from the resulting December 2011 report. The  
4 legislature also intends to provide financial assistance for school  
5 districts affected by the transition to the new funding formula. This  
6 assistance will be limited to grants to cover direct district  
7 expenditures for contracted architects, engineers, and other  
8 consultants for projects that are no longer eligible for state  
9 assistance under the new formula or for projects requiring significant  
10 redesign work as a result of reduced state assistance under the new  
11 formula.

12 **Sec. 2.** RCW 28A.525.162 and 2009 c 129 s 5 are each amended to  
13 read as follows:

14 (1) Funds appropriated to the superintendent of public instruction  
15 from the common school construction fund shall be allotted by the  
16 superintendent of public instruction in accordance with (~~student~~  
17 ~~enrollment and the provisions of RCW 28A.525.200~~) this chapter.

18 (2) No allotment shall be made to a school district until such  
19 district has provided local funds equal to or greater than the  
20 difference between the total approved project cost and the amount of  
21 state funding assistance to the district for financing the project  
22 computed pursuant to RCW 28A.525.166, with the following exceptions:

23 (a) The superintendent of public instruction may waive the local  
24 requirement for state funding assistance for districts which have  
25 provided funds for school building construction purposes through the  
26 authorization of bonds or through the authorization of excess tax  
27 levies or both in an amount equivalent to two and one-half percent of  
28 the value of its taxable property, as defined in RCW 39.36.015.

29 (b) No such local funds shall be required as a condition to the  
30 allotment of funds from the state for the purpose of making major or  
31 minor structural changes to existing school facilities in order to  
32 bring such facilities into compliance with the barrier free access  
33 requirements of section 504 of the federal rehabilitation act of 1973  
34 (29 U.S.C. Sec. 706) and rules implementing the act.

35 (3) For the purpose of computing the state funding assistance  
36 percentage under RCW 28A.525.166 when a school district is granted  
37 authority to enter into contracts, adjusted valuation per pupil shall

1 be calculated using headcount student enrollments from the most recent  
2 October enrollment reports submitted by districts to the superintendent  
3 of public instruction, adjusted as follows:

4 (a) In the case of projects for which local bonds were approved  
5 after May 11, 1989:

6 (i) For districts which have been designated as serving high school  
7 districts under RCW 28A.540.110, students residing in the nonhigh  
8 district so designating shall be excluded from the enrollment count if  
9 the student is enrolled in any grade level not offered by the nonhigh  
10 district;

11 (ii) The enrollment of nonhigh school districts shall be increased  
12 by the number of students residing within the district who are enrolled  
13 in a serving high school district so designated by the nonhigh school  
14 district under RCW 28A.540.110, including only students who are  
15 enrolled in grade levels not offered by the nonhigh school district;  
16 and

17 (iii) The number of preschool students with disabilities included  
18 in the enrollment count shall be multiplied by one-half;

19 (b) In the case of construction or modernization of high school  
20 facilities in districts serving students from nonhigh school districts,  
21 the adjusted valuation per pupil shall be computed using the combined  
22 adjusted valuations and enrollments of each district, each weighted by  
23 the percentage of the district's resident high school students served  
24 by the high school district; (~~and~~)

25 (c) The number of kindergarten students included in the enrollment  
26 count shall be (~~multiplied by one-half~~) counted as one headcount  
27 student; and

28 (d) The number of students residing outside the school district who  
29 are enrolled in alternative learning experience programs under RCW  
30 28A.150.325 shall be excluded from the total.

31 (4) In lieu of the exclusion in subsection (3)(d) of this section,  
32 a district may submit an alternative calculation for excluding students  
33 enrolled in alternative learning experience programs. The alternative  
34 calculation must show the student headcount use of district classroom  
35 facilities on a regular basis for a regular duration by out-of-district  
36 alternative learning experience program students subtracted by the  
37 headcount of in-district alternative learning experience program  
38 students not using district classroom facilities on a regular basis for

1 a reasonable duration. The alternative calculation must be submitted  
2 in a form approved by the office of the superintendent of public  
3 instruction. The office of the superintendent of public instruction  
4 must develop rules to define "regular basis" and "reasonable duration."

5 (5) The superintendent of public instruction, considering policy  
6 recommendations from the school facilities citizen advisory panel,  
7 shall prescribe such rules as are necessary to equate insofar as  
8 possible the efforts made by school districts to provide capital funds  
9 by the means aforesaid.

10 ((+5+)) (6) For the purposes of this section, "preschool students  
11 with disabilities" means children of preschool age who have  
12 developmental disabilities who are entitled to services under RCW  
13 28A.155.010 through 28A.155.100 and are not included in the  
14 kindergarten enrollment count of the district.

15 **Sec. 3.** RCW 28A.525.166 and 2009 c 421 s 5 and 2009 c 129 s 6 are  
16 each reenacted and amended to read as follows:

17 Allocations to school districts of state funds provided by RCW  
18 28A.525.162 through 28A.525.180 shall be made by the superintendent of  
19 public instruction and the amount of state funding assistance to a  
20 school district in financing a school plant project shall be determined  
21 in the following manner:

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

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

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

1 adjusted valuation per pupil divided by the ratio of the total state  
2 adjusted valuation per pupil).

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$$\begin{array}{rcccl} & \text{District adjusted} & \text{Total state} & & \\ & \text{3-valuation} & \div \text{adjusted valuation} & \text{State} & \\ \text{Computed} & \text{per pupil} & \text{per pupil} & \text{Funding} & \\ \text{State} = & \frac{\quad}{\quad} & & = - \% \text{ Assistance} & \\ \text{Ratio} & \text{District adjusted} & \text{Total state} & & \\ & \text{3+valuation} & \div \text{adjusted valuation} & & \\ & \text{per pupil} & \text{per pupil} & & \end{array}$$

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

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

25 (4) In computing the state funding assistance percentage in  
26 subsection (2) of this section and adjusting the percentage under  
27 subsection (3) of this section, students residing outside the school  
28 district who are enrolled in alternative learning experience programs  
29 under RCW 28A.150.325 shall be excluded from the count of total pupils.  
30 In lieu of the exclusion in this subsection, a district may submit an  
31 alternative calculation for excluding students enrolled in alternative  
32 learning experience programs. The alternative calculation must show  
33 the student headcount use of district classroom facilities on a regular  
34 basis for a reasonable duration by out-of-district alternative learning  
35 experience program students subtracted by the headcount of in-district  
36 alternative learning experience program students not using district  
37 classroom facilities on a regular basis for a reasonable duration. The  
38 alternative calculation must be submitted in a form approved by the

1 office of the superintendent of public instruction. The office of the  
2 superintendent of public instruction must develop rules to define  
3 "regular basis" and "reasonable duration."

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

34 NEW SECTION. **Sec. 4.** This act is necessary for the immediate  
35 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect  
2 immediately.

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